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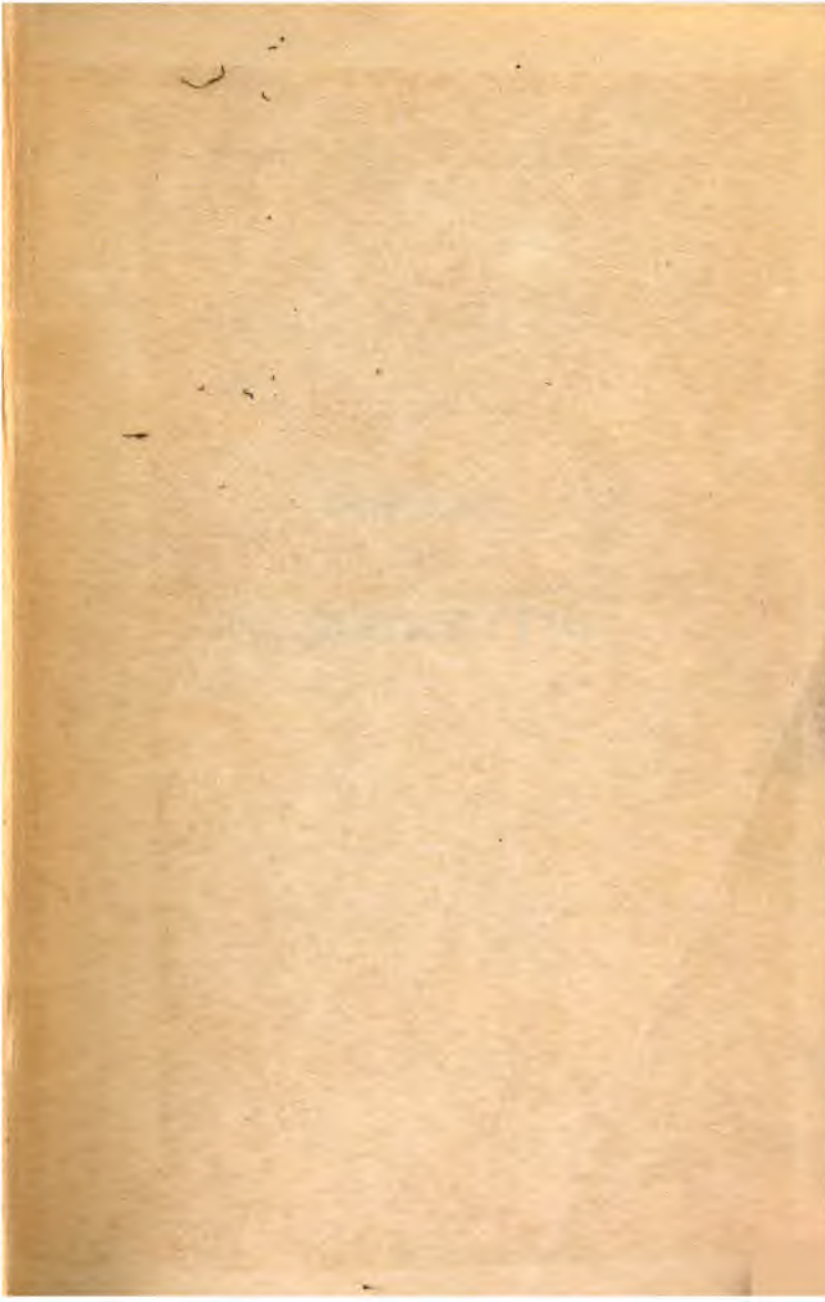


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BY THE

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NEW IMPRESSION



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PREFACE.



THE GREAT SUCCESS that has attended the publication of 'Self-Instruction in Bookkeeping' shows that the title of the book, if not exhaustively realised, has been found fairly appropriate. Some students, however, have a greater aptitude than others for teaching themselves by book, and no treatise on any branch of art or science can be made equally easy for humble and higher capacities. In the 'Self-Instruction' several explanations and illustrations are *entered into* in a manner which, though at once intelligible to many students, and available enough for their due progress, require more elementary *beginnings* for the minds of some young men; and in such cases it is hoped that the study of the 'Self-Instruction' may be profitably *accompanied* with that of the little work now offered.

But this manual of 'Beginnings' is designed also to facilitate and encourage the learning of the art of Bookkeeping in schools which may send forth candidates for commercial employment or for Civil Service appointments. In this design it is *introductory* to the manual of 'Self-Instruction,' rendering the study of the latter both a revision and an extension of the

previously imparted knowledge. Some of the more obscure parts of Bookkeeping are in this little work made clear by postponing some matters that are commonly, but not necessarily, mixed up with the teaching of principles and processes. For example, we make no distinction between cash at office and cash at bank throughout the book, and we familiarise the pupil with journalising and posting, and with ledger balancing and closing, before engaging his attention with bills of exchange.

A good and easy method of single entry concludes the book; and several Exercises* are set in each chapter.

* For these, as they may sometimes prove perplexing to learners, or not lead to satisfactory results in their hands, a key, to save time in the detection of error, is about to be published.

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BEGINNINGS IN BOOKKEEPING.

CHAPTER I.

THE MERCHANT'S CAPITAL.

THE market value of the business goods that a merchant now has, the business cash that he has, and money owing to him, are called his *Assets*.

The sums that a merchant now owes are called his *Liabilities*.

If a merchant's Liabilities amount to more than his Assets, he is called *Insolvent*, a word signifying *unable to pay*. If, for instance, his Assets amount to £800, and his Liabilities to £1100, he is insolvent by £300; but if his Assets amounted to £1100, and his Liabilities to £800, he would be called *solvent* by £300: in the former case the difference, £300, is called his *Deficiency*, in the latter it is called his *Capital*.*

Positive Capital is the excess of Assets above Liabilities.

Worked Examples.

1. Suppose that I have cash £350, and goods valued at £520; that I owe £130, and there is owing to me £84:

* The term *Stock*, sometimes confounded with *Capital*, strictly denotes business property: a merchant's stock, at the beginning of a term of business, consists specially of his Goods, Cash, and Bills Receivable (if any), diminished by his Bills Payable (if any).

it will be seen that I am worth £824 ; for my affairs might be stated as follows :—

Cash in hand	£350
Goods on hand	520
Money owing to me	84
My assets	<u>£954</u>
My liabilities	130
I am solvent by	<u>£824</u> = my capital.

2. I have cash in hand £285, and goods on hand worth £460 ; John Smith owes me £73, and Arthur Green owes me £29 ; I owe to Robert Jones £15, to John Clarke £63, and to George Gray £27. What is my nett capital ?

Cash in hand	285
Goods on hand	460
John Smith owes me	£73
Arthur Green „	29
	<u>102</u>
	£847 = assets
I owe to Robert Jones	£15
„ John Clarke	63
„ George Gray	27
	<u>105</u> = liabilities
	Capital, £742.

3. The following is a memorandum of my affairs at a certain date :—

I have goods on hand valued at £380, and cash in hand £271, and I owe John Wilson £82 ; James Hill owes me £94, George Flint owes me £40, and Adam Brown owes me £22. Arrange these particulars, and find my capital.

Goods on hand	£380
Cash in hand	271
James Hill owes me	£94
George Flint „	40
Adam Brown „	22
	<u>156</u>
	£807 = assets
I owe John Wilson	82 = liability
	Capital, £725.

4. W. Williamson & Co. have £107 15s. 6d. in cash, besides a stock of goods; C. Finch owes them £43 10s. 8d., and F. Hardy owes them £29 13s. 6d.; and they owe £197 9s. to T. Smith, £95 13s. 4d. to C. Thomas, and £179 14s. 10d. to R. White: they are insolvent by £13 7s. 6d. Find the value of the goods; and then make out, as in the preceding examples, an arrangement of the particulars of affairs.

			£197	9	0
Cash in hand	.	£107 15 6	95	13	4
Owing by C. Finch	.	43 10 8	179	14	10
„ by F. Hardy	.	29 13 6	472	17	2=liab.
„ by Capital	.	13 7 6	194	7	2
Value of goods,		£278 10 0			

Hence the following arrangement:—

Goods on hand	.	.	.	£278	10	0
Cash in hand	.	.	.	107	15	6
Owing by C. Finch	.	£43	10 8			
„ by F. Hardy	.	29	13 6	73	4	2
				£459	9	8 = assets
Owing to T. Smith	.	£197	9 0			
„ to C. Thomas	.	95	13 4			
„ to R. White	.	179	14 10	472	17	2=liab.
Showing a deficiency of £13 7s. 6d.						

Exercises 1.

(1) Arrange the following record of the affairs of Bruce & Son, and find their nett capital:—

They have cash £850, and goods £633; Robert Hall owes them £57, and they owe £108 to Joseph Watts, and £28 to James Bell.

(2) The state of a merchant's affairs is as follows:—Goods on hand £150, cash in hand £130 12s. 3d.; J. Hill owes him £53 10s. 9d., S. Hughes owes him £42 10s. 6d., and the merchant himself owes £187 11s. 8d. to D. Owen, £119 3s. 6d. to W. Brown, and £102 13s. 9d. to E. Frost.

Arrange these facts, and find by how much the merchant is solvent or insolvent.

(3) Suppose that you have goods worth £606, and cash to the amount of £780; that you owe £105 to Walter Low, and £24 to Henry Young; and that there is owing to you by Frank White £13, and by Charles West £30. Arrange these particulars, and find your capital.

(4) I have cash in hand £217 13s. 8d., goods on hand £36 15s.; William Hope owes me £31, and I owe £62 8s. 4d. to James Wilson, and £23 8s. 8d. to Thomas Boyd:—Arrange these items, and find by how much I am solvent or insolvent.

(5) I have a certain amount of cash, besides a stock of goods worth £735, and James Smith owes me £59; I owe £138 to Richard Hall, and £106 to John Field; and my nett capital is £2050. Find the cash, and then arrange the particulars in the usual form.

(6) The cash that I have invested in business is partly at my bankers' and partly at my office, the amount at bank exceeding that at office by £590 17s. 6d., and happening to be exactly equal to the value of my stock of goods; R. Steele owes me £132 14s. 7d., and W. Reece owes me £72 9s. 4d.; moreover, I owe £29 11s. 6d. to E. Hart, £92 7s. 4d. to H. Fisk, and £127 6s. 10d. to G. Evans; leaving me a nett capital of £1244 7s. Find the amounts for cash and goods, and then arrange the several items of cash, goods, &c. in the usual manner.

CHAPTER II.

THE CASH BOOK.

1. If John Jones pay me a sum of money, say £60,—it may be for goods that I have given him, or for work that I have done for him,—I am said to be *Debtor* to him for the £60, because I am *indebted* or obliged to him, to the extent of £60, for buying goods of me, or for employing me to do work for him.

If I pay to Frank Reid a sum of money, say £10,—it may be for goods that he has given me, or for work that he has done for me,—I am said to make myself *Creditor* by him for the £10, because by what I have paid him I have *credited* or trusted him, to the extent of £10, that he has given me goods or work worth the money.

For the words *Debtor* and *Creditor* we use the short forms *Dr.* and *Cr.*; and it is customary to say *Dr. to* and *Cr. by*.

2. The sums that a merchant receives and those that he pays are recorded by him in a form called a Cash Book, his receipts being entered on the left side and his payments on the right. He thus makes the left the *Dr.* side, and the right the *Cr.* side. This distinction is observed in Accounts generally.

3. Suppose, then, that I began the month of April, 1885, without cash, and that the following were the whole of my cash receipts and payments in that month.

On the 4th I received from John Jones £60; on the 9th paid Frank Reid £10; on the 11th paid David Watts £5 15s.; on the 13th received from Mark Hume £32 6s. 6d.; on the 20th paid George Steele £17 3s. 9d.; on the 21st received from Hugh Ward £12 16s. 5d.; and on the 30th paid Arthur West £25 10s. 6d.

I had then a balance of £46 13s. 8d. remaining; that is, the *Dr.* side exceeded the *Cr.* side by that sum.

These cash matters would have been recorded by me as in the following form: which the learner should now examine and compare with the preceding statements.

CASH BOOK.

<i>Dr.</i>				<i>Cr.</i>					
1885		£	s.	d.	1885		£	s.	d.
April 4	To John Jones	60	0	0	April 9	By Frank Reid	10	0	0
13	„ Mark Hume	32	6	6	11	„ David Watts	5	15	0
21	„ Hugh Ward	12	16	5	20	„ George Steele	17	3	9
					30	„ Arthur West	25	10	6

The meaning of the left side of this Cash Book is, that on the 4th of the month I was *Dr.* to Jones for receipt from him of £60 cash, on the 13th *Dr.* to Hume for £32 6s. 6d. cash, and so with the next entry. The meaning of the right side is, that on the 9th I was *Cr.* by

Reid for a payment to him of £10 cash, and so with the following entries.

The total of the sums on the left side is now £105 2s. 11d., and that of those on the right side is £58 9s. 3d., which is less than the other amount by £46 13s. 8d. And it must be particularly noticed in the Cash Book, that as its left side states all the cash that comes into my hands, the right side can never admit any entry greater than could be met by the cash recorded on the left side, but should always be some balance short of equality with the left side, at any one date.

4. It is a very common practice to add up, at the end of each month, the *Dr.* and *Cr.* entries of the month, in order to compare the payments with the total receipts, and to begin a fresh record for the next month with the balance of cash in hand. We will now show how this is to be done with the above Cash Book entries, as these were said to include all the receipts and payments that occurred in April :—The equalising balance of £46 13s. 8d. is made a closing entry on the credit side, and the two sides being then added up, and *ruled off* by double underlining, and by an angular line crossing the rather large blank space on the left, the balance is restored to its proper side by being *brought down* to open the Cash Book for May. The following will then be the appearance of the record :—

CASH BOOK.

<i>Dr.</i>			<i>Cr.</i>		
1885		£ s. d.	1885		£ s. d.
April 4	To John Jones	60 0 0	April 9	By Frank Reid .	10 0 0
13	„ Mark Hume	32 6 6	11	„ David Watts	5 15 0
21	„ Hugh Ward	12 16 5	20	„ George Steele	17 3 9
			30	„ Arthur West	25 10 6
			„	„ Balance . .	46 13 8
		105 2 11			105 2 11
May 1	To Balance .	46 13 8			

Observe here that the balance entered for the 1st of May is paid over from the April *Dr.* side to the May *Dr.* side, and this is what is signified by making a credit entry of it at the end of April.

5. But a Cash Book, as will presently appear, is not restricted to *personal* entries.

Suppose that I deal with the first half of the month of June, 1885, as a term of business that may be described as follows :—

1885		£	s.	d.
June 1.	My capital consists of cash	210	15	6
„	Bought goods for cash	18	2	4
4.	Bought goods of J. Wilson on credit	62	8	4
6.	Sold goods for cash	9	2	6
7.	Sold W. Hope goods on credit	22	10	0
9.	Sold goods for cash to H. Pratt	18	18	0
10.	Bought of T. Boyd goods on credit	23	8	8
11.	Received of W. Hope	22	10	0
„	Sold goods to W. Hope on credit	8	10	0
12.	Bought goods for cash	7	10	0
15.	Sold goods for cash	4	10	0
„	Paid J. Wilson	62	8	4
„	The goods I have now on hand are worth	36	15	0

Let it be proposed to compile a Cash Book from the above record. We will first present the Cash Book, and then give explanation which some of its entries require.

1885		£	s.	d.	1885		£	s.	d.
June 1	To Capital . .	210	15	6	June 1	By Goods . .	18	2	4
6	„ Goods . .	9	2	6	12	„ do. . .	7	10	0
9	„ do. . .	18	18	0	15	„ J. Wilson .	62	8	4
11	„ W. Hope .	22	10	0	„	„ Balance .	177	15	4
15	„ Goods . .	4	10	0					
		265	16	0			265	16	0
June 16	To Balance .	177	15	4					

At the beginning of the above form I record, on the receipt side, that my Capital made me possessor of cash to

the amount of £210 15s. 6d.; out of this I paid, on the 1st, for goods £18 2s. 4d.; and there was no need that I should record the name of the seller, who, however, must have given me a receipt for the payment; the entry, therefore, should simply mean that I was *Cr.* by some one for a payment of £18 2s. 4d. for goods; and this is sufficiently signified if I make the entry with the phrase *By Goods*. Similar explanation may be given of the entry of the 6th.

6. A merchant in order to gain sells, of course, at a higher rate than that at which he buys; but he has expenses to pay out of his profits,—wages, for instance, and accidental charges for carriage of goods; he is sometimes in making a payment allowed a small discount on the sum he owes, but sometimes also, in receiving a payment he has to allow some discount on the sum owing to him.

We will now present materials for a Cash Book of a more complete kind than the preceding examples, including, as is customary, records of matters which come under the general head of *Profit & Loss*.

On the 1st October, 1885, Crosby, Stevens & Co. found the state of their affairs to be as follows:—

Goods on hand £320, balance of cash in hand £811 13s. 6d., amount owing by C. Laing £124 10s., ditto by W. Marks £67 5s. 8d., ditto by P. Scott £19 12s. 10d.; amount owing to F. Rogers £73 6s., ditto to Perry & Son

CASH BOOK.

<i>Dr.</i>						
1885		Disc.	£	s.	d.	
Oct. 1	To Balance . . .		311	13	6	
2	„ C. Laing . . .		100	0	0	
9	„ J. Scott . . .	4/10	19	8	0	
13	„ Goods . . .		27	6	6	
20	„ do.		43	4	0	
	Disc. £0 4s. 10d.		501	12	0	
Nov. 2	To Balance		269	19	8	

£71. 6s. 8d. Their transactions in the month were as under:—

		£	s.	d.
Oct. 2.	Received of C. Laing	100	0	0
3.	Paid Perry & Son	70	8	10
	viz. to settle their account £71 6s. 8d.			
	being allowed by them discount 0 17 10			
5.	Bought of S. Braid goods	40	9	7
9.	Received of J. Scott	19	8	0
	viz. in settlement of account £19 12s. 10d.			
	allowing him discount 0 4 10			
13.	Sold J. Scott goods	120	0	0
„	Sold C. Laing goods :			
	viz. for cash £27 6s. 6d.			
	on credit 27 6 6	54	13	0
16.	Paid F. Rogers	72	7	8
	he allowing me discount 18s. 4d.			
17.	Bought for cash of M. White goods	40	0	0
19.	Paid S. Braid in settlement of his a/c.	39	9	7
20.	Sold goods for cash	43	4	0
24.	Bought of S. Braid goods	119	11	6
27.	Bought of F. Rogers goods	80	0	0
30.	Sold H. Warne goods	74	6	4
31.	Wages and trade charges paid in the month	9	6	3
„	The goods now on hand are worth £340.			

From the above statement we obtain the subjoined cash and discount entries :

CASH BOOK.

			£	s.	d.
1885		Disc.			
Oct. 3	By Perry & Son	17/10	70	8	10
16	„ F. Rogers	18/4	72	7	8
17	„ Goods		40	0	0
19	„ S. Braid	20/0	39	9	7
31	„ Profit & Loss.		9	6	3
„	„ Balance.		269	19	8
	Disc. £2 16s. 2d.		501	12	0

Exercises 2.

(1) Compile a Cash Book from the following memorandum.
Bring down the balance for February.

1885	£	s.	d.
Jan. 1. Goods on hand worth	259	10	0
„ Cash in hand	358	0	0
„ Alfred Jones owes me	47	14	6
„ William Webb owes me	53	7	10
„ I owe Samuel Hay	126	0	0
Jan. 5. Sold Ralph Elder goods on credit	44	16	6
14. Received from William Webb	43	7	10
17. Sold goods for cash	96	13	8
20. Paid Samuel Hay	50	0	0
„ Bought of George Elliott goods on credit	62	8	0
„ Received from William Webb	10	0	0
„ Received from Ralph Elder	44	16	6
21. Bought goods for cash	75	4	0
26. Paid Samuel Hay	50	0	0
28. Bought goods for cash	25	17	6
30. Sold goods for cash	48	15	9

Ans. £400 12s. 3d. = balance brought down.

(2) From the following materials compile a Cash Book for the month of August. Bring down the balance.

1885	£	s.	d.
Aug. 1. Cash for original capital	1000	0	0
„ Bought of Charles Ford goods	142	8	6
„ Bought of James Browne goods	58	14	6
5. Sold goods for cash	81	15	8
8. Sold goods to Henry White	43	10	10
13. Bought goods for cash	121	16	0
15. Sold goods for cash	120	0	0
18. Bought of Charles Ford goods	61	15	0
22. Paid Charles Ford	204	3	6
„ Lent to Andrew Bell	40	0	0
25. Received from Henry White	43	10	10
27. Sold goods for cash	80	5	0
31. Paid James Browne	58	14	6

Ans. £900 17s. 6d. = balance brought down.

(3) Make a Cash Book out of the following transactions. Bring down the balance.

1885		£	s.	d.
July 1.	Borrowed of Edward Wells	500	0	0
4.	Bought of James Smith goods	45	15	6
6.	Bought of Adam Reid goods :			
	half for cash, half on credit	236	18	0
10.	Sold Lewis Smith goods	51	17	8
13.	Sold Robert Scott goods	57	11	2
18.	Bought goods for cash	83	10	0
21.	Sold Henry West goods for cash	120	0	0
22.	Bought of Mark Yates goods	72	13	4
24.	Paid James Smith	45	15	6
25.	Received of Lewis Smith	40	0	0
28.	Sold Lewis Smith goods	47	6	8
31.	Repaid to Edward Wells	100	0	0
„	Paid to Adam Reid	118	9	0

Ans. £193 16s. 6d. = balance brought down.

(4) Compile so much of an *open* Cash Book as is supplied in the following details.

October 3rd, 1884. Swan & Walford began business at this date with a Capital consisting of £200 in cash, and a stock of goods valued at £340. Their transactions up to the 24th of the month were as follows:—

1884		£	s.	d.
Oct. 3.	Sold goods to Evans & Co.	76	9	10
4.	Sold goods to Albert Sims.	72	15	6
	viz. for cash	£36	0s.	0d.
	and on credit	36	15	6
6.	Bought of Richard Price goods	63	18	0
7.	Borrowed of Walter Frain	150	0	0
9.	Sold Ernest Hill goods	61	8	11
„	Received from Evans & Co.	30	0	0
10.	Bought of Watts & Ridge goods	52	10	6
15.	Paid Richard Price	63	18	0
20.	Sold Evans & Co. goods for cash	37	11	8
21.	Bought of Richard Price goods for cash	51	7	6
24.	Paid Watts & Ridge	52	10	6

(5) Out of the following record construct a Cash Book with Discount entries. Bring down the balance.

1885		£	s.	d.
May	1. Goods on hand	235	0	0
	„ Cash in hand	174	14	6
	„ Owing by G. Welsh	29	8	5
	„ „ by E. Tress & Co.	53	2	6
	„ „ by C. Pitt & Co.	72	2	10
	„ „ by Ford & Son	20	0	0
	„ Owing to E. Lewis	37	11	4
	„ „ to Graham & Co.	32	10	0
	„ „ to D. Weston	15	7	6
	„ „ to R. Wilson	10	0	0
May	2. Borrowed of T. Haines	100	0	0
	4. Paid E. Lewis	37	11	4
	8. Sold W. Morris goods	76	3	6
	9. Received of E. Tress & Co.	52	9	3
	viz. for amt. of account £53 2s. 6d.			
	less discount 0 13 3			
	11. Bought of E. Lewis goods	88	16	9
	„ Bought of F. Warren goods for cash	44	10	0
	13. Sold E. Tress & Co. goods	38	13	4
	16. Paid Graham & Co. to settle their account	32	2	0
	being allowed by them 8s. discount			
	„ Received of G. Welsh	29	4	0
	viz. for amt. of account £29 8s. 5d.			
	less discount 0 4 5			
	19. Sold G. Welsh goods	86	7	8
	20. Bought goods of Graham & Co.	62	14	7
	viz. for cash £50 0s. 0d.			
	on credit 12 14 7			
	23. Paid D. Weston	15	5	3
	viz. for amt. of account £15 7s. 6d.			
	less discount 0 2 3			
	27. Sold goods for cash	28	5	0
	30. Repaid to T. Haines	20	0	0
	„ Cash paid for wages and trade charges	7	18	5
	„ The goods on hand are valued at £216.			

Ans. £177 5s. 9d. = balance brought down.

(6) Compile a Cash Book in continuation of the preceding, with Discount entries, from the following statement.

1885		£	s.	d.
June	1. Cash in hand	177	5	9
	„ Goods on hand	216	0	0
	„ Owing by C. Pitt & Co.	72	2	10
	„ „ by G. Welsh	86	7	8
	„ „ by E. Tress & Co.	38	13	4
	„ „ by W. Morris	76	3	6
	„ Owing to Graham & Co.	62	14	7
	„ „ to E. Lewis	88	16	9
	„ „ to T. Haines	80	0	0
June	2. Received of C. Pitt & Co.	45	0	0
	„ Paid E. Lewis in settlement of a/c	87	14	6
	„ 1½ per cent. allowed by E. Lewis	1	2	3
	4. Sold E. Tress & Co. goods	66	10	0
	8. Received of W. Morris	38	0	0
	9. Bought of E. Lewis goods, for cash	36	0	0
	„ „ „ on credit	44	12	6
	13. Paid Graham & Co.	61	18	11
	their a/c being balanced by discount	0	15	8
	„ Received of C. Pitt & Co.	27	2	10
	15. Sold goods for cash	47	12	0
	17. Received of G. Welsh in settlement of a/c	85	10	0
	18. Received of E. Tress & Co.	38	13	4
	„ Bought of Graham & Co. goods	53	17	6
	20. Paid E. Lewis in settlement of his a/c	43	10	0
	„ Received of W. Morris to settle his a/c	37	14	0
	23. Bought of Fielder & Son goods	71	18	6
	27. Sold G. Welsh goods	94	12	8
	30. Repaid to T. Haines	20	0	0
	„ Paid wages and expenses in the month	9	2	10
	„ The goods now on hand are worth £225.			

Ans. £238 11s. 8d. = balance brought down.

CHAPTER III.

BOUGHT DAY BOOK AND SOLD DAY BOOK.

1. The Cash Book, as has been seen, receives entries of *cash purchases* and *cash sales*. We come now to the Bought Day Book which receives *credit purchases*, and the Sold Day Book which receives *credit sales*.

We shall exemplify these Day Books at first only in a very general way, not specifying any particular kinds of goods bought and sold.

Let us, then, as usual, assume a month to be a term of business; and let the subjoined promiscuous Day Book be proposed, from which to derive Bought and Sold Day Books as well as a Cash Book, and thereby to find the gain or loss on goods.

1885		£	s.	d.
Oct.	1. Goods on hand	150	0	0
	„ Cash in hand	248	5	6
	„ Owing by Robert Smith	26	13	2
	„ „ by Edmund Giles	15	9	4
	„ Owing to George Dunn	37	15	4
Oct.	1. Received from Robert Smith	20	0	0
	„ Sold Andrew Lane goods	14	9	10
	5. Sold Edwards & Co. goods	32	12	4
	„ Paid George Dunn	37	15	4
	7. Bought of George Dunn goods	47	17	8
	10. Sold Robert Smith goods	102	7	6
viz. for cash		£60	0s.	0d.
and on credit		42	7	6
	14. Received from Edmund Giles	15	9	4
	20. Bought of Hugh Preston goods	69	5	3
	22. Bought goods for cash	60	0	0
	„ Received from Robert Smith	6	13	2
	24. Sold goods for cash	50	0	0
	27. Sold Henry Sykes goods	56	12	7
	30. Bought of George Dunn goods	54	0	0
	31. The goods on hand are worth	£165.		

A Cash Book is derived from the above as follows :—

CASH BOOK.

<i>Dr.</i>					<i>Cr.</i>				
1885		£	s.	d.	1885		£	s.	d.
Oct. 1	To Balance . . .	248	5	6	Oct. 5	By George Dunn	37	15	4
"	" Robert Smith	20	0	0	22	" Goods .	60	0	0
10	" Goods . . .	60	0	0	31	" Balance	300	12	8
14	" Edmund Giles	15	9	4					
22	" Robert Smith	6	13	2					
24	" Goods . . .	50	0	0					
		400	8	0			400	8	0
Nov. 2	To Balance . . .	302	12	8					

The following examples of the simplest kind of Bought and Sold Day Books need no explanation :—

SOLD DAY BOOK.

1885		£	s.	d.
Oct. 1	Andrew Lane :			
	To Goods	14	9	10
5	Edwards & Co. :			
	To Goods	32	12	4
10	Robert Smith :			
	To Goods	42	7	6
27	Henry Sykes :			
	To Goods	56	12	7
31	Total credit sales in October .	146	2	3

it will be seen that I am worth £824; for my affairs might be stated as follows:—

Cash in hand	£350
Goods on hand	520
Money owing to me	84
My assets	<u>£954</u>
My liabilities	130
I am solvent by	<u>£824</u> = my capital.

2. I have cash in hand £285, and goods on hand worth £460; John Smith owes me £73, and Arthur Green owes me £29; I owe to Robert Jones £15, to John Clarke £63, and to George Gray £27. What is my nett capital?

Cash in hand	285
Goods on hand	460
John Smith owes me	£73
Arthur Green „	29
	<u>102</u>
	£847 = assets
I owe to Robert Jones	£15
„ John Clarke	63
„ George Gray	27
	<u>105</u> = liabilities
	Capital, £742.

3. The following is a memorandum of my affairs at a certain date:—

I have goods on hand valued at £380, and cash in hand £271, and I owe John Wilson £82; James Hill owes me £94, George Flint owes me £40, and Adam Brown owes me £22. Arrange these particulars, and find my capital.

Goods on hand	£380
Cash in hand	271
James Hill owes me	£94
George Flint „	40
Adam Brown „	22
	<u>156</u>
	£807 = assets
I owe John Wilson	82 = liability
	Capital, £725.

4. W. Williamson & Co. have £107 15s. 6d. in cash, besides a stock of goods; C. Finch owes them £43 10s. 8d., and F. Hardy owes them £29 13s. 6d.; and they owe £197 9s. to T. Smith, £95 13s. 4d. to C. Thomas, and £179 14s. 10d. to R. White: they are insolvent by £13 7s. 6d. Find the value of the goods; and then make out, as in the preceding examples, an arrangement of the particulars of affairs.

			£197	9	0
Cash in hand	.	£107 15 6	95	13	4
Owing by C. Finch	.	43 10 8	179	14	10
„ by F. Hardy	.	29 13 6	472	17	2 = liab.
„ by Capital	.	13 7 6	194	7	2
		Value of goods,	£278	10	0

Hence the following arrangement:—

Goods on hand	.	.	.	.	£278	10	0
Cash in hand	.	.	.	.	107	15	6
Owing by C. Finch	.	£43	10	8			
„ by F. Hardy	.	29	13	6	73	4	2
					£459	9	8 = assets
Owing to T. Smith	.	£197	9	0			
„ to C. Thomas	.	95	13	4			
„ to R. White	.	179	14	10	472	17	2 = liab.
Showing a deficiency of £13 7s. 6d.							

Exercises 1.

(1) Arrange the following record of the affairs of Bruce & Son, and find their nett capital:—

They have cash £850, and goods £633; Robert Hall owes them £57, and they owe £108 to Joseph Watts, and £28 to James Bell.

(2) The state of a merchant's affairs is as follows:—Goods on hand £150, cash in hand £130 12s. 3d.; J. Hill owes him £53 10s. 9d., S. Hughes owes him £42 10s. 6d., and the merchant himself owes £187 11s. 8d. to D. Owen, £119 3s. 6d. to W. Brown, and £102 13s. 9d. to E. Frost.

Arrange these facts, and find by how much the merchant is solvent or insolvent.

(3) Suppose that you have goods worth £606, and cash to the amount of £780; that you owe £105 to Walter Low, and £24 to Henry Young; and that there is owing to you by Frank White £13, and by Charles West £30. Arrange these particulars, and find your capital.

(4) I have cash in hand £217 13s. 8d., goods on hand £36 15s.; William Hope owes me £31, and I owe £62 8s. 4d. to James Wilson, and £23 8s. 8d. to Thomas Boyd:—Arrange these items, and find by how much I am solvent or insolvent.

(5) I have a certain amount of cash, besides a stock of goods worth £735, and James Smith owes me £59; I owe £138 to Richard Hall, and £106 to John Field; and my nett capital is £2050. Find the cash, and then arrange the particulars in the usual form.

(6) The cash that I have invested in business is partly at my bankers' and partly at my office, the amount at bank exceeding that at office by £590 17s. 6d., and happening to be exactly equal to the value of my stock of goods; R. Steele owes me £132 14s. 7d., and W. Reece owes me £72 9s. 4d.; moreover, I owe £29 11s. 6d. to E. Hart, £92 7s. 4d. to H. Fisk, and £127 6s. 10d. to G. Evans; leaving me a nett capital of £1244 7s. Find the amounts for cash and goods, and then arrange the several items of cash, goods, &c. in the usual manner.

CHAPTER II.

THE CASH BOOK.

1. If John Jones pay me a sum of money, say £60,—it may be for goods that I have given him, or for work that I have done for him,—I am said to be *Debtor* to him for the £60, because I am *indebted* or obliged to him, to the extent of £60, for buying goods of me, or for employing me to do work for him.

If I pay to Frank Reid a sum of money, say £10,—it may be for goods that he has given me, or for work that he has done for me,—I am said to make myself *Creditor* by him for the £10, because by what I have paid him I have *credited* or trusted him, to the extent of £10, that he has given me goods or work worth the money.

For the words *Debtor* and *Creditor* we use the short forms *Dr.* and *Cr.*; and it is customary to say *Dr. to* and *Cr. by*.

2. The sums that a merchant receives and those that he pays are recorded by him in a form called a Cash Book, his receipts being entered on the left side and his payments on the right. He thus makes the left the *Dr.* side, and the right the *Cr.* side. This distinction is observed in Accounts generally.

3. Suppose, then, that I began the month of April, 1885, without cash, and that the following were the whole of my cash receipts and payments in that month.

On the 4th I received from John Jones £60; on the 9th paid Frank Reid £10; on the 11th paid David Watts £5 15s.; on the 13th received from Mark Hume £32 6s. 6d.; on the 20th paid George Steele £17 3s. 9d.; on the 21st received from Hugh Ward £12 16s. 5d.; and on the 30th paid Arthur West £25 10s. 6d.

I had then a balance of £46 13s. 8d. remaining; that is, the *Dr.* side exceeded the *Cr.* side by that sum.

These cash matters would have been recorded by me as in the following form: which the learner should now examine and compare with the preceding statements.

CASH BOOK.

<i>Dr.</i>				<i>Cr.</i>					
1885		£	s.	d.	1885		£	s.	d.
April 4	To John Jones	60	0	0	April 9	By Frank Reid	10	0	0
13	„ Mark Hume	32	6	6	11	„ David Watts	5	15	0
21	„ Hugh Ward	12	16	5	20	„ George Steele	17	3	9
					30	„ Arthur West	25	10	6

The meaning of the left side of this Cash Book is, that on the 4th of the month I was *Dr.* to Jones for receipt from him of £60 cash, on the 13th *Dr.* to Hume for £32 6s. 6d. cash, and so with the next entry. The meaning of the right side is, that on the 9th I was *Cr.* by

Reid for a payment to him of £10 cash, and so with the following entries.

The total of the sums on the left side is now £105 2s. 11d., and that of those on the right side is £58 9s. 3d., which is less than the other amount by £46 13s. 8d. And it must be particularly noticed in the Cash Book, that as its left side states all the cash that comes into my hands, the right side can never admit any entry greater than could be met by the cash recorded on the left side, but should always be some balance short of equality with the left side, at any one date.

4. It is a very common practice to add up, at the end of each month, the *Dr.* and *Cr.* entries of the month, in order to compare the payments with the total receipts, and to begin a fresh record for the next month with the balance of cash in hand. We will now show how this is to be done with the above Cash Book entries, as these were said to include all the receipts and payments that occurred in April:—The equalising balance of £46 13s. 8d. is made a closing entry on the credit side, and the two sides being then added up, and *ruled off* by double underlining, and by an angular line crossing the rather large blank space on the left, the balance is restored to its proper side by being *brought down* to open the Cash Book for May. The following will then be the appearance of the record:—

CASH BOOK.

<i>Dr.</i>			<i>Cr.</i>		
1885		£ s. d.	1885		£ s. d.
April 4	To John Jones	60 0 0	April 9	By Frank Reid .	10 0 0
13	„ Mark Hume	32 6 6	11	„ David Watts	5 15 0
21	„ Hugh Ward	12 16 5	20	„ George Steele	17 3 9
			30	„ Arthur West	25 10 6
			„	„ Balance . .	46 13 8
		105 2 11			105 2 11
May 1	To Balance .	46 13 8			

Observe here that the balance entered for the 1st of May is paid over from the April *Dr.* side to the May *Dr.* side, and this is what is signified by making a credit entry of it at the end of April.

5. But a Cash Book, as will presently appear, is not restricted to *personal* entries.

Suppose that I deal with the first half of the month of June, 1885, as a term of business that may be described as follows :—

1885		£	s.	d.
June 1.	My capital consists of cash	210	15	6
„	Bought goods for cash	18	2	4
4.	Bought goods of J. Wilson on credit	62	8	4
6.	Sold goods for cash	9	2	6
7.	Sold W. Hope goods on credit	22	10	0
9.	Sold goods for cash to H. Pratt	18	18	0
10.	Bought of T. Boyd goods on credit	23	8	8
11.	Received of W. Hope	22	10	0
„	Sold goods to W. Hope on credit	8	10	0
12.	Bought goods for cash	7	10	0
15.	Sold goods for cash	4	10	0
„	Paid J. Wilson	62	8	4
„	The goods I have now on hand are worth	36	15	0

Let it be proposed to compile a Cash Book from the above record. We will first present the Cash Book, and then give explanation which some of its entries require.

1885		£	s.	d.	1885		£	s.	d.
June 1	To Capital . .	210	15	6	June 1	By Goods . .	18	2	4
6	„ Goods . .	9	2	6	12	„ do. . .	7	10	0
9	„ do. . .	18	18	0	15	„ J. Wilson .	62	8	4
11	„ W. Hope .	22	10	0	„	„ Balance .	177	15	4
15	„ Goods . .	4	10	0					
		265	16	0			265	16	0
June 16	To Balance .	177	15	4					

At the beginning of the above form I record, on the receipt side, that my Capital made me possessor of cash to

the amount of £210 15s. 6d.; out of this I paid, on the 1st, for goods £18 2s. 4d.; and there was no need that I should record the name of the seller, who, however, must have given me a receipt for the payment; the entry, therefore, should simply mean that I was *Cr.* by some one for a payment of £18 2s. 4d. for goods; and this is sufficiently signified if I make the entry with the phrase *By Goods*. Similar explanation may be given of the entry of the 6th.

6. A merchant in order to gain sells, of course, at a higher rate than that at which he buys; but he has expenses to pay out of his profits,—wages, for instance, and accidental charges for carriage of goods; he is sometimes in making a payment allowed a small discount on the sum he owes, but sometimes also, in receiving a payment he has to allow some discount on the sum owing to him.

We will now present materials for a Cash Book of a more complete kind than the preceding examples, including, as is customary, records of matters which come under the general head of *Profit & Loss*.

On the 1st October, 1885, Crosby, Stevens & Co. found the state of their affairs to be as follows:—

Goods on hand £320, balance of cash in hand £811 18s. 6d., amount owing by C. Laing £124 10s., ditto by W. Marks £67 5s. 8d., ditto by P. Scott £19 12s. 10d.; amount owing to F. Rogers £73 6s., ditto to Perry & Son

CASH BOOK.

Dr.

1885		Disc.	£	s.	d.
Oct. 1	To Balance . . .		311	13	6
2	„ C. Laing . . .		100	0	0
9	„ J. Scott . . .	4/10	19	8	0
13	„ Goods . . .		27	6	6
20	„ do.		43	4	0
	Disc. £0 4s. 10d.		501	12	0
Nov. 2	To Balance		269	19	8

£71 6s. 8d. Their transactions in the month were as under :—

		£	s.	d.
Oct. 2.	Received of C. Laing	100	0	0
3.	Paid Perry & Son	70	8	10
	viz. to settle their account £71 6s. 8d.			
	being allowed by them discount 0 17 10			
5.	Bought of S. Braid goods	40	9	7
9.	Received of J. Scott	19	8	0
	viz. in settlement of account £19 12s. 10d.			
	allowing him discount	0	4	10
13.	Sold J. Scott goods	120	0	0
„	Sold C. Laing goods :			
	viz. for cash	£27	6s.	6d.
	on credit	27	6	6
16.	Paid F. Rogers	72	7	8
	he allowing me discount 18s. 4d.			
17.	Bought for cash of M. White goods	40	0	0
19.	Paid S. Braid in settlement of his a/c.	39	9	7
20.	Sold goods for cash	43	4	0
24.	Bought of S. Braid goods	119	11	6
27.	Bought of F. Rogers goods	80	0	0
30.	Sold H. Warne goods	74	6	4
31.	Wages and trade charges paid in the month	9	6	3
„	The goods now on hand are worth £340.			

From the above statement we obtain the subjoined cash and discount entries :

CASH BOOK.

Cr.

1885		Disc.	£	s.	d.
Oct. 3	By Perry & Son	17/10	70	8	10
16	„ F. Rogers	18/4	72	7	8
17	„ Goods		40	0	0
19	„ S. Braid	20/0	39	9	7
31	„ Profit & Loss		9	6	3
„	„ Balance		269	19	8
	Disc. £2 16s. 2d.		501	12	0

Exercises 2.

(1) Compile a Cash Book from the following memorandum.
Bring down the balance for February.

1885		£	s.	d.
Jan. 1.	Goods on hand worth	259	10	0
„	Cash in hand	358	0	0
„	Alfred Jones owes me	47	14	6
„	William Webb owes me	53	7	10
„	I owe Samuel Hay	126	0	0
Jan. 5.	Sold Ralph Elder goods on credit	44	16	6
14.	Received from William Webb	43	7	10
17.	Sold goods for cash	96	13	8
20.	Paid Samuel Hay	50	0	0
„	Bought of George Elliott goods on credit	62	8	0
„	Received from William Webb	10	0	0
„	Received from Ralph Elder	44	16	6
21.	Bought goods for cash	75	4	0
26.	Paid Samuel Hay	50	0	0
28.	Bought goods for cash	25	17	6
30.	Sold goods for cash	48	15	9

Ans. £400 12s. 3d. = balance brought down.

(2) From the following materials compile a Cash Book for the month of August. Bring down the balance.

1885		£	s.	d.
Aug. 1.	Cash for original capital	1000	0	0
„	Bought of Charles Ford goods	142	8	6
„	Bought of James Browne goods	58	14	6
5.	Sold goods for cash	81	15	8
8.	Sold goods to Henry White	43	10	10
13.	Bought goods for cash	121	16	0
15.	Sold goods for cash	120	0	0
18.	Bought of Charles Ford goods	61	15	0
22.	Paid Charles Ford	204	3	6
„	Lent to Andrew Bell	40	0	0
25.	Received from Henry White	43	10	10
27.	Sold goods for cash	80	5	0
31.	Paid James Browne	58	14	6

Ans. £900 17s. 6d. = balance brought down.

(3) Make a Cash Book out of the following transactions. Bring down the balance.

1885		£	s.	d.
July 1.	Borrowed of Edward Wells	500	0	0
4.	Bought of James Smith goods	45	15	6
6.	Bought of Adam Reid goods :			
	half for cash, half on credit	236	18	0
10.	Sold Lewis Smith goods	51	17	8
13.	Sold Robert Scott goods	57	11	2
18.	Bought goods for cash	83	10	0
21.	Sold Henry West goods for cash	120	0	0
22.	Bought of Mark Yates goods	72	13	4
24.	Paid James Smith	45	15	6
25.	Received of Lewis Smith	40	0	0
28.	Sold Lewis Smith goods	47	6	8
31.	Repaid to Edward Wells	100	0	0
„	Paid to Adam Reid	118	9	0

Ans. £193 16s. 6d. = balance brought down.

(4) Compile so much of an *open* Cash Book as is supplied in the following details.

October 3rd, 1884. Swan & Walford began business at this date with a Capital consisting of £200 in cash, and a stock of goods valued at £340. Their transactions up to the 24th of the month were as follows:—

1884		£	s.	d.
Oct. 3.	Sold goods to Evans & Co.	76	9	10
4.	Sold goods to Albert Sims	72	15	6
	viz. for cash	£36	0s.	0d.
	and on credit	36	15	6
6.	Bought of Richard Price goods	63	18	0
7.	Borrowed of Walter Frain	150	0	0
9.	Sold Ernest Hill goods	61	8	11
„	Received from Evans & Co.	30	0	0
10.	Bought of Watts & Ridge goods	52	10	6
15.	Paid Richard Price	63	18	0
20.	Sold Evans & Co. goods for cash	37	11	8
21.	Bought of Richard Price goods for cash . .	51	7	6
24.	Paid Watts & Ridge	52	10	6

(5) Out of the following record construct a Cash Book with Discount entries. Bring down the balance.

1885		£	s.	d.
May	1. Goods on hand	235	0	0
	„ Cash in hand	174	14	6
	„ Owning by G. Welsh	29	8	5
	„ „ by E. Tress & Co.	53	2	6
	„ „ by C. Pitt & Co.	72	2	10
	„ „ by Ford & Son	20	0	0
	„ Owning to E. Lewis	37	11	4
	„ „ to Graham & Co.	32	10	0
	„ „ to D. Weston	15	7	6
	„ „ to R. Wilson	10	0	0
May	2. Borrowed of T. Haines	100	0	0
	4. Paid E. Lewis	37	11	4
	8. Sold W. Morris goods	76	3	6
	9. Received of E. Tress & Co.	52	9	3
	viz. for amt. of account £53 2s. 6d.			
	less discount 0 13 3			
	11. Bought of E. Lewis goods	88	16	9
	„ Bought of F. Warren goods for cash	44	10	0
	13. Sold E. Tress & Co. goods	38	13	4
	16. Paid Graham & Co. to settle their account	32	2	0
	being allowed by them 8s. discount			
	„ Received of G. Welsh	29	4	0
	viz. for amt. of account £29 8s. 5d.			
	less discount 0 4 5			
	19. Sold G. Welsh goods	86	7	8
	20. Bought goods of Graham & Co.	62	14	7
	viz. for cash £50 0s. 0d.			
	on credit 12 14 7			
	23. Paid D. Weston	15	5	3
	viz. for amt. of account £15 7s. 6d.			
	less discount 0 2 3			
	27. Sold goods for cash	28	5	0
	30. Repaid to T. Haines	20	0	0
	„ Cash paid for wages and trade charges	7	18	5
	„ The goods on hand are valued at £216.			

Ans. £177 5s. 9d. = balance brought down.

(6) Compile a Cash Book in continuation of the preceding, with Discount entries, from the following statement.

1885		£	s.	d.
June	1. Cash in hand	177	5	9
	„ Goods on hand	216	0	0
	„ Owing by C. Pitt & Co.	72	2	10
	„ „ by G. Welsh	86	7	8
	„ „ by E. Tress & Co.	38	13	4
	„ „ by W. Morris	76	3	6
	„ Owing to Graham & Co.	62	14	7
	„ „ to E. Lewis	88	16	9
	„ „ to T. Haines	80	0	0
June	2. Received of C. Pitt & Co.	45	0	0
	„ Paid E. Lewis in settlement of a/c	87	14	6
	„ 1½ per cent. allowed by E. Lewis	1	2	3
	4. Sold E. Tress & Co. goods	66	10	0
	8. Received of W. Morris	38	0	0
	9. Bought of E. Lewis goods, for cash	36	0	0
	„ „ „ on credit	44	12	6
	13. Paid Graham & Co.	61	18	11
	their a/c being balanced by discount	0	15	8
	„ Received of C. Pitt & Co.	27	2	10
	15. Sold goods for cash	47	12	0
	17. Received of G. Welsh in settlement of a/c	85	10	0
	18. Received of E. Tress & Co.	38	13	4
	„ Bought of Graham & Co. goods	53	17	6
	20. Paid E. Lewis in settlement of his a/c	43	10	0
	„ Received of W. Morris to settle his a/c	37	14	0
	23. Bought of Fielder & Son goods	71	18	6
	27. Sold G. Welsh goods	94	12	8
	30. Repaid to T. Haines	20	0	0
	„ Paid wages and expenses in the month	9	2	10
	„ The goods now on hand are worth £225.			

Ans. £238 11s. 8d. = balance brought down.

CHAPTER III.

BOUGHT DAY BOOK AND SOLD DAY BOOK.

1. The Cash Book, as has been seen, receives entries of *cash purchases* and *cash sales*. We come now to the Bought Day Book which receives *credit purchases*, and the Sold Day Book which receives *credit sales*.

We shall exemplify these Day Books at first only in a very general way, not specifying any particular kinds of goods bought and sold.

Let us, then, as usual, assume a month to be a term of business; and let the subjoined promiscuous Day Book be proposed, from which to derive Bought and Sold Day Books as well as a Cash Book, and thereby to find the gain or loss on goods.

1885		£	s.	d.
Oct.	1. Goods on hand	150	0	0
	„ Cash in hand	248	5	6
	„ Owing by Robert Smith	26	13	2
	„ „ by Edmund Giles	15	9	4
	„ Owing to George Dunn	37	15	4
Oct.	1. Received from Robert Smith	20	0	0
	„ Sold Andrew Lane goods	14	9	10
	5. Sold Edwards & Co. goods	32	12	4
	„ Paid George Dunn	37	15	4
	7. Bought of George Dunn goods	47	17	8
	10. Sold Robert Smith goods	102	7	6
	viz. for cash £60 0s. 0d.			
	and on credit 42 7 6			
	14. Received from Edmund Giles	15	9	4
	20. Bought of Hugh Preston goods	69	5	3
	22. Bought goods for cash	60	0	0
	„ Received from Robert Smith	6	13	2
	24. Sold goods for cash	50	0	0
	27. Sold Henry Sykes goods	56	12	7
	30. Bought of George Dunn goods	54	0	0
	31. The goods on hand are worth £165.			

A Cash Book is derived from the above as follows :—

CASH BOOK.

<i>Dr.</i>					<i>Cr.</i>				
1885		£	s.	d.	1885		£	s.	d.
Oct. 1	To Balance . . .	248	5	6	Oct. 5	By George Dunn	37	15	4
"	" Robert Smith	20	0	0	22	" Goods .	60	0	0
10	" Goods . . .	60	0	0	31	" Balance	300	12	8
14	" Edmund Giles	15	9	4					
22	" Robert Smith	6	13	2					
24	" Goods . . .	50	0	0					
		400	8	0			400	8	0
Nov. 2	To Balance . . .	302	12	8					

The following examples of the simplest kind of Bought and Sold Day Books need no explanation :—

SOLD DAY BOOK.

1885		£	s.	d.
Oct. 1	Andrew Lane :			
	To Goods	14	9	10
5	Edwards & Co. :			
	To Goods	32	12	4
10	Robert Smith :			
	To Goods	42	7	6
27	Henry Sykes :			
	To Goods	56	12	7
31	Total credit sales in October .	146	2	3

BOUGHT DAY BOOK.

1885		£	s.	d.
Oct. 7	George Dunn : By Goods	47	17	8
20	Hugh Preston : By Goods	62	5	3
30	George Dunn : By Goods	54	0	0
31	Total credit purchases in October	171	2	11

Now, in order to find what has been gained on goods in October, we must add to the total of the credit sales, as shown by the Sold Day Book, the total of cash sales, as derived from the Cash Book, together with the worth of the goods remaining unsold; and we must add to the total of the credit purchases, as shown by the Bought Day Book, the total of cash purchases, as derived from the Cash Book, together with the worth of goods on hand at the beginning of the month: if we then subtract the latter amount from the former, the remainder will be the sum gained on goods. Thus:—

Total amount of credit sales	£146	2	3
Do. of cash sales, as per Cash Book	110	0	0
Worth of goods on hand on 31st Dec.	165	0	0
	£421	2	3
Total amount of credit purchases	£171	2	11
Do. of cash purchases, as per Cash Book	60	0	0
Worth of goods on hand on 1st Oct.	150	0	0
	£381	2	11
Showing the gain on goods to be	39	19	4
	£421	2	3

To ascertain a merchant's total *nett* gain, there are to be taken into account with the gain on goods other Profit &

Loss matters, such as wages, trade charges, Dr. and Cr. discounts, rent of premises, &c. An account called Profit & Loss contains entries of such things, its right side receiving gains, and its left side those charges and deductions that lessen gain. The Profit & Loss account will be more particularly referred to farther on.

2. We will now present a statement of affairs and transactions serving for the compilation of Day Books in which two kinds of goods are kept distinct.

From the following record derive Cash and Day Books, and find the gain on goods.

1885		£	s.	d.
Sept.	1. Cash in hand	250	0	0
	„ Goods on hand :			
	Wine	£270	0	0
	Spirits	190	0	0
	„ Philip Ramsay owes me		34	12 4
	„ I owe Herbert Wills		43	8 6
	2. Bought of Hanby & Son spirits		35	17 6
	5. Received of Philip Ramsay		34	12 4
	9. Sold Edward Price :			
	Wine	£28	13	9
	Spirits	47	15	0
	11. Paid Herbert Wills :		43	8 6
	12. Bought of Herbert Wills :			
	Wine	£62	11	5
	Spirits	53	14	0
	16. Paid Hanby & Son		30	0 0
	„ Drew out of the business for private use		25	0 0
	21. Sold Philip Ramsay spirits :			
	for cash	£28	9	4
	on credit	28	9	4
	25. Bought of Hanby & Son wine		31	11 6
	„ Bought of Richard Mant wine		40	0 0
	28. Received of Edward Price		60	0 0
	29. Sold Edward Price wine		85	4 6
	30. Value of wine on hand £295, of spirits £180.			

We will now subjoin the required Cash and Day Books.

CASH BOOK.

Dr.

Cr.

1885		£	s.	d.	1885		£	s.	d.
Sept. 1	To Balance . .	250	0	0	Sept. 11	By Herbert Wills	43	8	6
5	„ Philip Ramsay	34	12	4	„ 16	„ Hanby & Son.	30	0	0
21	„ Spirits . . .	28	9	4	„ „	„ Capital . . .	25	0	0
28	„ Edward Price .	60	0	0	„ 30	„ Balance . .	274	13	2
		373	1	8			373	1	8
Oct. 1	To Balance . .	274	13	2					

SOLD DAY BOOK.

		Wine			Spirits			Total		
		£	s.	d.	£	s.	d.	£	s.	d.
1885 Sept. 9	Edward Price :									
	To Wine . . .	28	13	9						
	„ Spirits				47	15	0	76	8	9
21	Philip Ramsay :									
	To Spirits . . .				28	9	4	28	9	4
29	Edward Price :									
	To Wine . . .	85	4	6				85	4	6
30	Total credit sales in Sept.	113	18	3	76	4	4	190	2	7

BOUGHT DAY BOOK.

		Wine			Spirits			Total		
		£	s.	d.	£	s.	d.	£	s.	d.
1885										
Sept. 2	Hanby & Son :									
	By Spirits							35	17	6
12	Herbert Wills :									
	By Wine	62	11	5						
	„ Spirits				53	14	0	116	5	5
25	Hanby & Son :									
	By Wine	31	11	6						
„	Richard Mant :									
	By Wine	40	0	0						
30	Total credit purchases in									
	Sept.	134	2	11	89	11	6	223	14	5

Lastly, to find the gain on goods :—

	Wine.			Spirits.			Total.		
Amount of credit sales .	£113	18	3 +	£ 76	4	4 =	£190	2	7
Do. of cash sales .	0	0	0 +	28	9	4 =	28	9	4
Worth of goods on 30th									
Sept.	295	0	0 +	180	0	0 =	475	0	0
	£408	18	3 +	284	13	8 =	693	11	11
Amount of credit purchases	£134	2	11 +	89	11	6 =	223	14	5
Do. of cash purchases							0	0	0
Worth of goods on 1st									
Sept.	270	0	0 +	190	0	0 =	460	0	0
	£404	2	11 +	279	11	6 =	683	14	5
Showing the gain to be .	4	15	4 +	5	2	2 =	9	17	6
	£408	18	3 +	284	13	8 =	693	11	11

Exercises 3.

From each of the following statements of affairs and transactions, commonly called *Waste Book* records, compile a *Cash Book* and the two *Day Books*, and find the gain on goods.

(1) *Waste Book* record for July 1885.

1885		£	s.	d.
July	1. Goods on hand	230	0	0
	„ Cash in hand	187	16	0
	„ Owing to me by Frank Adams	30	13	8
	„ „ by Hugh Blair	28	9	8
	„ Owing by me to Patrick Browne	45	6	9
July	2. Sold goods for cash	34	11	3
	„ Sold Alfred Moore goods	80	17	6
	4. Paid Patrick Browne	45	6	9
	7. Received of Frank Adams	20	0	0
	„ Bought of Patrick Browne goods	79	18	6
	11. Bought goods for cash	69	0	0
	15. Withdrew from Capital for private use	15	0	0
	18. Sold Hugh Blair goods	46	13	3
	20. Sold goods for cash	54	18	6
	24. Received of Alfred Moore	50	0	0
	27. Received of Hugh Blair	28	9	8
	29. Bought goods for cash	78	12	0
	31. Wages and expenses paid during the month	9	4	0
	„ Value of the goods on hand, £270.			

Ans. £29 10s. = gain on goods.

(2) Waste Book record for December, 1884.

1884		£	s.	d.
Dec.	1. Balance of cash in hand	423	15	7
	„ Goods on hand :			
	60 pieces of silk worth	723	0	0
	„ Horace Browne owes me	44	10	9
	„ Hugh Jennings owes me	26	13	6
	„ Foster & Co. owe me	32	9	10
	„ I owe Paul Morier	78	16	10
	„ „ Pierre Martin	57	5	6
Dec.	1. Paid Paul Morier	78	16	10
	3. Sold Michael Jones 3 pieces silk	40	18	6
	„ Sold for cash 2 pieces silk	28	16	0
	6. Received of Hugh Jennings	26	13	6
	8. Bought of Paul Morier 11 pieces silk :			
	viz. for cash £60, on credit £73	133	0	0
	9. Received of Horace Browne	22	5	4
	12. Sold Hugh Jennings 5 pieces silk	66	10	0
	„ Sold Horace Browne 2 pieces silk	30	6	0
	13. Sold Michael Jones 4 pieces silk	55	8	0
	15. Bought of G. V. Courant 8 pieces silk	95	3	0
	18. Paid Pierre Martin	57	5	6
	20. Received of Foster & Co.	32	9	10
	24. Sold Foster & Co. 8 pieces silk	112	10	0
	29. Bought of Pierre Martin 7 pieces silk	83	11	4
	31. Wages and expenses paid in the month	10	4	5
	„ Goods now on hand :			
	62 pieces silk worth £745.			
	Ans. £44 14s. 2d. = gain on goods.			

(3) Waste Book record for August, 1885.

1885		£	s.	d.
Aug.	1. Cash in hand	181	13	6
	„ Goods on hand :			
	Grocery £210, Wine £140	350	0	0
	„ Morgan & Co. owe me	29	5	3
	„ George Main owes me	25	15	6
	„ I owe Forbes & Co.	42	10	0
	„ „ Walter Creech	32	7	6
	„ „ W. & F. Mills	19	11	9
Aug.	3. Sold James Reid grocery £23 6s. 4d.			
	„ „ „ wine 36 0 0	59	6	4

1885		£	s.	d.
Aug. 6.	Bought of W. & F. Mills wine	40	0	0
8.	Received of George Main	25	15	6
10.	Paid W. & F. Mills	19	11	9
11.	Sold George Main grocery	31	10	0
„	Sold John Scott grocery	61	18	6
15.	Paid Forbes & Co.	42	10	0
17.	Bought of Forbes & Co. grocery	42	10	0
18.	Sold George Main wine	41	0	0
20.	Received of Morgan & Co.	20	0	0
22.	Sold Morgan & Co. wine	31	10	0
24.	Bought for cash wine	22	17	6
„	Bought of Forbes & Co. grocery	15	0	0
25.	Received of James Reid	30	0	0
„	Sold Barnard West wine for cash	18	10	6
26.	Paid Walter Creech	32	7	6
27.	Sold James Reid grocery £23 5s. 0d.			
„	„ „ wine 23 10 6	46	15	6
28.	Bought of James Ford grocery	42	5	0
„	Bought for cash of James Ford grocery	20	0	0
29.	Sold for cash grocery	30	18	6
„	Bought of Walter Creech wine	78	10	0
31.	Wages and expenses paid in the month	8	15	7
„	Value of grocery on hand £175, of wine £145.			

Ans. Gain on grocery £16 3s. 4d.

Do. on wine 14 3 6

(4) Waste Book record for September, 1885.

1885		£	s.	d.
Sept. 1.	Cash in hand	178	9	10
„	Goods on hand :			
	Drapery £125 14s. 6d.			
	Hosiery 95 11 6	221	6	0
„	Owing to me by Percy Jones	19	7	4
„	„ by Robert Jones	21	7	6
„	Owing by me to Edmund Lake	15	8	3
„	„ to W. Grant & Co.	24	13	5
Sept. 3.	Bought of Hill & James hosiery	24	16	0
5.	Sold Henry Gibbs & Son :			
	Drapery £19 5s. 6d.			
	Hosiery 13 12 0	32	17	6

1885		£	s.	d.
Sept. 8.	Sold Matthew Danes hosiery	32	9	10
12.	Received of Robert Junes	21	7	6
„	Sold for cash hosiery	13	4	6
16.	Paid Edmund Lake	15	8	3
17.	Received of Percy Jones	15	0	0
21.	Bought for cash hosiery	20	0	0
„	Sold Robert Junes :			
	Drapery £26 3s. 4d.			
	Hosiery 16 5 6	42	8	10
24.	Paid W. Grant & Co.	24	13	5
25.	Bought of Edmund Lake drapery	24	17	6
„	Bought of W. Grant & Co. hosiery	19	18	0
28.	Sold for cash to Hugh Wilson :			
	Drapery £15 12s. 6d.			
	Hosiery 9 7 6	25	0	0
„	Paid Edmund Lake	24	17	6
29.	Bought of Edmund Lake drapery	12	10	0
30.	Cash paid wages and expenses in the month	8	18	0
„	Value of drapery on hand £115, of hosiery £97.			
	Ans. Gain, £12 19s. 4d. on drapery,			
	21 13 10 on hosiery.			

(5) Waste Book record for October, 1885.

1885		£	s.	d.
Oct. 1.	Cash in hand	233	10	0
„	Goods on hand :			
	Bacon, 13 cwt. 57 lb. = £52 0s. 0d.			
	Cheese 12 52 = 48 0 0	100	0	0
„	Owing to me by Willis & Wood	17	10	10
„	„ by Joseph Dale	9	12	8
„	Owing by me to Green & Co.	13	12	4
„	„ to James Benson	10	10	6
Oct. 2.	Sold John Hume :			
	Bacon, 5 cwt. 24 lb. = £24 6s. 8d.			
	Cheese, 7 40 = 34 6 8	58	13	4
3.	Bought for cash :			
	Bacon, 3 cwt. 28 lb. = £12 2s. 6d.			
	Cheese, 5 84 = 21 10 0	33	12	6

1885		£	s.	d.
Oct. 5.	Paid Green & Co.	13	12	4
8.	Received from Joseph Dale	9	12	8
„	Bought of Green & Co. bacon, 9 cwt. 36 lb.	35	17	4
10.	Sold for cash :			
	Bacon, 4 cwt. 30 lb. = £18 18s. 0d.			
	Cheese, 3 14 = 13 17 0	32	15	0
15.	Sold Joseph Dale :			
	Bacon, 2 cwt. 15 lb. = £ 9 19s. 2d.			
	Cheese, 5 56 = 25 13 4	35	12	6
„	Received from Willis & Wood	10	0	0
„	Paid James Benson	10	10	6
17.	Bought of James Benson :			
	Bacon, 9 cwt. 56 lb. = £36 11s. 6d.			
	Cheese, 6 0 = 23 0 0	59	11	6
21.	Sold Amos Brook bacon, 6 cwt. 56 lb.	30	6	8
„	Bought of Green & Co. cheese, 5 cwt. 22 lb.	20	0	0
24.	Sold George Wood :			
	Bacon, 5 cwt. 20 lb. = £24 3s. 4d.			
	Cheese, 6 16 = 28 13 4	52	16	8
26.	Paid Green & Co.	35	17	4
29.	Bought of Isaac Bell cheese, 4 cwt. 26 lb.	16	5	10
31.	Wages and trade expenses paid in the month	10	2	7
„	Goods on hand: Bacon, £47 15s.; Cheese, £44 6s.			
	Ans. Gain, £18 17s. 6d. on bacon,			
	17 19 6 on cheese.			

CHAPTER IV.

THE JOURNAL.

1. The Journal is a book that states the meaning of every item of a Waste Book in the form *M. Dr.* to *N.*, thus naming *Dr.* first, although signifying, of course, the same as *N. Cr.* by *M.*

Bookkeeping is of two principal kinds, Double Entry and Single Entry, to the former of which the Journal properly belongs; but whether Double or Single Entry be

the form in which accounts are to be kept in one's actual business, there is great advantage in being well practised in the construction of the Journal. Some study of Double Entry should always precede that of Single Entry ; and we will now endeavour to show the main features of the Double Entry plainly and distinctly.

2. If I receive cash from W. Smith, I am *Dr.* to W. Smith for the cash, and W. Smith is *Cr.* by me for the cash. The fact can be stated with either of the phrases *Dr. to* or *Cr. by*. Now, in the Double Entry system of bookkeeping every debit entry on the left side of accounts is balanced by the insertion of its implied credit somewhere on the right side ; and similarly, every entry on the right side is balanced somewhere on the left. Hence the name *Double Entry*.

But in this system, if I, *the owner of the books*, receive cash from W. Smith, the forms by which I express that fact are simply *Cash Dr. to W. Smith* and *W. Smith Cr. by Cash* : forms which mean that the cash I have received is owing to W. Smith having given it to me, and that W. Smith has trusted me with the cash.

3. If I buy goods of James Allen for cash to the amount of £5, Allen gives me the goods and I give Allen the cash ; accordingly, I am *Dr.* to him for the goods, and I am *Cr.* by him for the cash : the goods I receive make me *Dr.* for £5, but the cash I pay makes me *Cr.* for £5 ; so that I have no further claim on Allen and he has no further claim on me ; I have spent the cash, but I possess the goods ; the goods, then, as it were, owe me for the cash that I have credited them with ; and I may express this by writing *Goods Dr. to Cash Cr.* ; but as whatever anything is *Dr.* to must be *Cr.*, it is sufficient to write *Goods Dr. to Cash*. This is according to a general Rule which should be carefully remembered, viz.

What comes in to my business is Dr., what goes out is Cr.

In the present instance both parts of the Rule are answered: the goods, which came in, are *Dr.*; the cash, which went out, is *Cr.*

4. Observe, then, that the contracted expression *Goods Dr. to Cash* signifies I am *Dr.* for goods to one whom I have credited with a cash payment for them.

If Allen had given me the goods on credit, I should have expressed this by writing—

Goods Dr. to James Allen.

If he had given me the goods, and I had only paid him in part £3, this would have required two statements—

Goods *Dr.* to Cash, £3;

Goods *Dr.* to James Allen, £2.

5. In the Journal the *Cr.* account is written below the *Dr.* account, and farther to the right. Its arrangement will be easily learnt from the specimen which we give a little farther on, viz. so much of a Journal as will present entries of the following transactions:—

1885		£	s.	d.
March	9. Paid Walter Wilson	15	13	6
	12. Borrowed of James Bruce	50	0	0
	14. Sold Frank Hughes wine	56	0	0
	19. Bought goods of Henry Jones	12	13	4
	„ Received of Thomas West	13	10	0
	21. Sold John Swan wine to the amount of	30	0	0
	viz. for cash . . £20 12s. 6d.			
	and on credit . . . 9 7 6			
	24. Bought of Henry Field wine to the amount of	60	0	0
	viz. for cash . . £40 15s. 6d.			
	and on credit . . . 19 4 6			

These transactions, to suit the Journal, must be read with the *Dr.* account first, as follows:—

Walter Wilson <i>Dr.</i> to Cash	£15	13	6
Cash <i>Dr.</i> to James Bruce	50	0	0
Frank Hughes <i>Dr.</i> to Goods	56	0	0
Goods <i>Dr.</i> to Henry Jones	12	13	4
Cash <i>Dr.</i> to Thomas West	13	10	0

Cash	Dr. £20 12s. 6d.	} to Goods	. £30 0 0
John Swan	Dr. 9 7 6		
Goods	Dr. £60 to	{ Cash.	. . . 40 15 6
		{ Henry Field	. . . 19 4 6

We will now subjoin the form in which a Journal would present these particulars. The learner should make himself familiar with its arrangements, so as to become able to imitate them in working out the Exercises that follow. Let him notice that of the two money columns employed the left is for the *Dr.* sums, the right for the *Crs.*

The first entry is read—Walter Wilson *Dr.* for £15 13s. 6d. to Cash *Cr.* by £15 13s. 6d. The entries of the 21st and 24th show why *two* money columns are wanted.

All the entries can also be read backwards: in this way the first would be read—Cash for £15 13s. 6d. *Cr.* by Walter Wilson *Dr.* for £15 13s. 6d.; and, for John Swan's part in the entry of the 21st, the backward reading would be—Goods for £9 7s. 6d. *Cr.* by John Swan *Dr.* for £9 7s. 6d.

JOURNAL.

		<i>Drs.</i>			<i>Crs.</i>		
		£	s.	d.	£	s.	d.
1885	9 Mar.	Walter Wilson . . .	15	13	6		
		To Cash . . .			15	13	6
	12	Cash . . .	50	0	0		
		To James Bruce . .			50	0	0
	14	Frank Hughes . . .	56	0	0		
		To Goods . . .			56	0	0
	19	Goods . . .	12	13	4		
		To Henry Jones . .			12	13	4
	"	Cash . . .	13	10	0		
		To Thomas West . .			13	10	0
	21	Cash . . .	20	12	6		
		John Swan . . .	9	7	6		
		To Goods . . .			30	0	0
	24	Goods . . .	60	0	0		
		To Cash . . .			40	15	6
		„ Henry Field . .			19	4	6

6. When two transactions of the same date have the same *Dr.* or the same *Cr.* title of account, it is sometimes convenient to journalise them in combination. Suppose a Waste Book presents the following statements to be journalised :—

July 10.	Paid J. Thompson	£14
„	Bought goods for cash	26
23.	Sold goods for cash	£17
„	Received of W. Liston	20

These statements dictate severally for the Journal—J. Thompson *Dr.* to Cash, Goods *Dr.* to Cash, Cash *Dr.* to Goods, and Cash *Dr.* to W. Liston ; but as the first two are of one date, and have Cash *Cr.* in both, while the next two are also of one date, having Cash *Dr.* in both, the Journal can admit them as follows :—

July 10	J. Thompson	£14	
„	Goods	26	
	To Cash		£40
23	Cash	£37	
	To Goods		£17
	„ W. Liston		20

Exercises 4.

(1) Journalise the following transactions :—

		£	s.	d.
1885				
Feb. 3.	Bought of Lewis Jones goods	87	10	0
„	Received of George North	3	16	9
7.	Lent Arthur Jackson	30	0	0
14.	Bought of Frank Green goods	117	12	4
16.	Received of Thomas Perry	53	8	6
„	Sold goods for cash	35	19	0
20.	Sold Abel Thompson goods			
	for $\frac{1}{2}$ in cash, $\frac{1}{2}$ on credit	146	0	0
28.	Paid Lewis Jones	87	10	0

(2) Journalise the following :—

1885		£	s.	d.
June	1. Sold Brown & Co. goods	72	7	10
	„ Sold James Forest goods	17	12	6
	5. Paid Smith Brothers	25	4	8
	„ Paid Simson & Webb	31	18	0
	„ Bought of Simson & Webb goods for cash	42	9	6
	13. Sold to Alfred Bateman :			
	30 gallons brandy at 17s. 6d.	26	5	0
	19. Received of James Forest	17	12	6
	20. Bought of Dickson & Co. wine	48	10	0

(3) Journalise the following :—

1885		£	s.	d.
Aug.	7. Repaid to Henry Smith, a/c of loan	20	0	0
	10. Bought of Davis & Son linen	10	10	0
	15. Bought of Johnson & Co. goods	44	8	6
	„ Bought of W. & R. Green linen	36	15	0
	„ Paid Davis & Son	10	10	0
	18. Sold to Robert White goods	93	17	10
	viz. for cash £50 0s. 0d.			
	on credit 43 17 10			
	25. Repaid to Henry Smith :			
	for remainder of loan	10	0	0
	27. Received of E. Ward & Co.	9	14	9

(4) Journalise the following :—

1885		£	s.	d.
Jan.	12. Sold to Morris & Son :			
	1 pipe Port wine £47 0s. 0d.			
	1 butt sherry	58	0	0
	13. Sold for cash goods	74	10	0
	„ Borrowed of Dickson & Wells	350	0	0
	14. Bought of Robertson Brothers goods	185	10	6
	19. Sold to Ralph Watson			
	Wine for cash	£52	10s.	0d.
	Brandy on credit	10	10	0

1885		£	s.	d.
Jan. 19.	Sold goods for cash	34	8	4
23.	Received of Alfred Barnes	26	5	9
„	Paid Webster & Wood	32	15	8

7. We will now exemplify the Journal treatment of the *affairs* of a merchant who commences a term of business on the 1st of July, 1885.

First, Suppose he has then in cash £2000, but has not yet laid in any goods; that he has no liabilities, and no one is indebted to him.

In this simple case, his stock merely makes him possessor of the cash which we have mentioned, and which forms all his capital; so that his Journal entry for this will be—

July 1.	Cash . . .	£2000	
	To Capital		£2000

Secondly, Suppose he has cash £2000, and goods of which the market value is £1200; and that there are no debts.

Here his stock makes him possessor of the cash and goods we have mentioned, and these together constitute his capital. Hence his Journal entries will be —

July 1.	Cash . . .	£2000	
	Goods . . .	1200	
	To Capital		£3200

Thirdly, Suppose that he is reopening his books for a new term of business; that he has cash in hand £2000, and goods on hand £1200; that W. Gordon owes him £70, and he owes J. Wilson £150.

Here it is easily seen that his stock of £3200 with the credit balance of £70, together £3270, being liable for the

debt of £150, makes him possessor of a nett capital of £3120; and he will journalise as follows:—

July 1.	Cash . .	£2000	
	Goods . .	1200	
	W. Gordon .	70	
	To J. Wilson		£ 150
	„ Capital		3120

8. The learner is now prepared to examine a continuous Journal of affairs and transactions for a month, as compiled from the following Waste Book.

On July 1st, 1885, Marshall & Edwards find the state of their affairs to be as follows:—

They have goods on hand valued at £848, and cash in hand amounting to £517 6s. 8d.; there is owing to them by Railton & Co. £65 14s. 8d., and by W. Burton £134 15s.; and there is owing by them to T. Burgess £112 11s. 6d., and to F. Fleming £48 5s.

Their transactions in July are as follows:—

1885		£	s.	d.
July 3.	Sold T. Richards goods	155	17	6
6.	Received of W. Burton	70	0	0
8.	Bought of F. Fleming goods	37	10	9
11.	Sold Adams & Co. goods	72	12	6
15.	Received of Railton & Co.	65	14	8
„	Sold goods for cash	19	4	6
18.	Paid T. Burgess	112	11	6
24.	Bought of T. Burgess goods	56	18	6
27.	Received of T. Richards	100	0	0
29.	Sold Railton & Co. goods:			
	$\frac{1}{2}$ for cash, $\frac{1}{2}$ on credit	96	13	4
31.	Paid F. Fleming	43	5	0
„	Wages and trade expenses paid in the month .	10	6	0
„	The goods on hand are worth £650.			

These details are now to be journalised. The last of them, viz. the statement respecting the goods on hand at the end of the month, will for the present be neglected. The use of it will appear later on.

JOURNAL.

		<i>Drs.</i>			<i>Crs.</i>		
1885		£	s.	d.	£	s.	d.
July	1	Goods	843	10	0		
		Cash	517	6	8		
		Railton & Co. . . .	65	14	8		
		W. Burton	134	15	0		
		To T. Burgess . .			112	11	6
		„ F. Fleming . .			43	5	0
		„ Capital			1405	9	10
	3	T. Richards	155	17	6		
		To Goods			155	17	6
	6	Cash	70	0	0		
		To W. Burton . .			70	0	0
	8	Goods	37	10	9		
		To F. Fleming . .			37	10	9
	11	Adams & Co. . . .	72	12	6		
		To Goods			72	12	6
	15	Cash	84	19	2		
		To Railton & Co..			65	14	8
		„ Goods			19	4	6
	18	T. Burgess	112	11	6		
		To Cash			112	11	6
	24	Goods	56	18	6		
		To T. Burgess . .			56	18	6
	27	Cash	100	0	0		
		To T. Richards . .			100	0	0
	29	Cash	48	6	8		
		Railton & Co. . . .	48	6	8		
		To Goods			96	13	4
	31	F. Fleming	43	5	0		
		Profit & Loss	10	6	0		
		To Cash			53	11	0

9. We will now subjoin a few Waste Books for the learner's practice in journalising. Let him in each case consider himself the owner of the Books.

Exercises 5.

(1) The affairs of James Boyd on May 1st, 1885, were as follows:—He had cash in hand £360, goods on hand £460, and he owed C. Thomson £45 15s. 8d.; Higgs & Co. owed him £17 12s. 3d., and Moore & Son owed him £31 10s. His transactions during the month were stated in the Waste Book as follows:—

1885		£	s.	d.
May	4. Bought of Harvey & Hill goods	68	13	11
	„ Bought of Samuel Muir goods	46	6	6
	7. Received of George Grant an order for goods, and a remittance of £25 in prepayment	25	0	0
	9. Sent George Grant the goods as per order, charging for them	22	10	0
	„ Returned to George Grant cash	2	10	0
	15. Sold Stewart & Son goods	49	7	10
	„ Paid C. Thomson	45	15	8
	20. Sold Higgs & Co. goods	48	10	9
	23. Received of Stewart & Son	49	7	10
	29. Paid Harvey & Hill	50	0	0
	„ Paid Samuel Muir	46	6	6
	„ Wages and trade charges paid in the month	7	16	10
	„ Value of goods on hand, £480.			

(2) Journalise the following:—

1885		£	s.	d.
Jan.	1. I have at this date goods on hand	490	0	0
	„ „ „ cash in hand	706	17	6
	„ Now owing to me by Philip Curtis	23	1	10
	„ „ „ by Fowler & Phillips	47	14	9
	„ Now owing by me to Samuel Weston	151	10	4
	„ „ „ to Watson Brothers	19	11	6
Jan.	2. Sold Philip Curtis wine and spirits	139	17	6
	„ Sold Joseph Winter wine	103	13	9
	6. Paid Samuel Weston	100	0	0
	7. Bought of Samuel Weston spirits	64	14	6
	15. Sold Henry Mercer wine and spirits	29	10	10
	„ Lent Henry Mercer	70	0	0
	19. Received of Philip Curtis	123	1	10
	21. Bought of Watson Brothers wine	185	10	0
	„ Paid Watson Brothers	50	0	0
	29. Received of Fowler & Phillips	47	14	9
	31. Sold Fowler & Phillips wine	100	0	0
	„ Wages and trade expenses paid in the month	9	15	5
	„ Value of goods now on hand, £400.			

(3) Journalise the following Waste Book; in which the Assets will be found short of the Liabilities by upwards of £10. Capital must rank as *Dr.* for this deficiency to the Liabilities.

1885		£	s.	d.
Sept. 1.	Goods on hand	165	0	0
	„ Cash in hand	103	9	6
	„ Due from Richard Mostyn	27	10	3
	„ „ from Christopher West	23	14	3
	„ Owing to Slater & Co.	91	16	0
	„ „ to Bryce & Graham	126	12	6
	„ „ to Charles Reid	113	17	0
Sept. 2.	Borrowed of Arthur Jones	200	0	0
4.	Sold Walter Williams goods	42	4	6
7.	Bought of Dickens & Co. goods	106	15	4
12.	Received of Christopher West	23	14	3
14.	Paid Slater & Co.	91	16	0
18.	Sold goods for cash	21	7	6
	„ Sold Christopher West goods	62	11	8
26.	Paid Charles Reid	56	18	6
30.	Bought of Dickens & Co. goods	35	15	9
	„ Received of Walter Williams	42	4	6
	„ Wages and trade expenses paid in the month	7	10	0
	„ Goods on hand valued at £200.			

CHAPTER V.

THE LEDGER.

1. The Double Entry Ledger is a book in which all the *Drs.* and *Crs.* pertaining to each single title of account, throughout the Journal, are *posted* into one separate account, which is headed with that title as a name for the account.

For instance, the book will contain an account called

Goods Account, under which name will be arranged, in *Dr.* and *Cr.* sides, respectively, all the titles, with their amounts, to which the Journal calls *Goods Dr.*, and all the titles, with amounts, to which the Journal calls *Goods Cr.*

Similarly, if Smith & Co. be a party with whom I have business transactions, the Ledger will contain an account headed *Smith & Co.*, under which name will be arranged all the titles to which the Journal calls *Smith & Co. Dr.* or *Cr.*

2. Let the following imaginary Waste Book be proposed, to be converted into a Journal, the entries of which are then to be posted into a Ledger.

1885		£	s.	d.
Aug.	1. Goods on hand	505	0	0
	„ Cash in hand	230	14	6
	„ Owing to Walter Wright	102	8	8
	„ „ to Spencer & Webb	87	10	6
	„ Owing by Mitchell & Sons	48	13	0
	„ „ by Haig & Co.	61	12	2
Aug.	3. Paid Walter Wright	60	0	0
	„ Paid Spencer & Webb	40	0	0
	8. Sold James Mason goods :			
	viz. for cash . . . £40 0s. 0d.			
	and on credit . . . 12 16 6	52	16	6
	„ Received of Haig & Co.	61	12	0
	12. Sold goods for cash	10	15	4
	17. Paid Spencer & Webb	47	10	6
	20. Bought of Spencer & Webb goods	53	16	8
	„ Bought of Hughes & Co. goods	107	7	6
	24. Sold Haig & Co. goods	69	4	7
	„ Received of Mitchell & Sons	48	13	2
	„ Sold Edward Scott goods	79	2	6
	29. Paid Walter Wright	42	8	8
	31. Wages and trade expenses paid in the month	9	11	2
	„ Value of goods on hand, £475.			

JOURNAL.

		Drs.			Crs.		
1885		£	s.	d.	£	s.	d.
Aug.	1	Goods	505	0	0		
		Cash	230	14	6		
		Mitchell & Sons	48	13	2		
		Haig & Co.	61	12	0		
		To Walter Wright . .				102	8
		„ Spencer & Webb . .				87	10
		„ Capital				656	0
	3	Walter Wright	60	0	0		
		Spencer & Webb	40	0	0		
		To Cash				100	0
	8	Cash	40	0	0		
		James Mason	12	16	0		
		To Goods				52	16
	„	Cash	61	12	0		
		To Haig & Co. . . .				61	12
	12	Cash	10	15	4		
		To Goods				10	15
	17	Spencer & Webb	47	10	6		
		To Cash				47	10
	20	Goods	161	4	2		
		To Spencer & Webb . .				53	16
		„ Hughes & Co. . . .				107	7
	24	Haig & Co.	69	4	7		
		Edward Scott	79	2	6		
		To Goods				148	7
	„	Cash	48	13	2		
		To Mitchell & Sons . .				48	13
	29	Walter Wright	42	8	8		
		To Cash				42	8
	31	Profit & Loss	9	11	2		
		To Cash				9	11

In proceeding to post a Ledger from this Journal we may observe that no particular order of accounts is necessary,

but that it is well to accustom yourself to some particular order; and we recommend that Capital Account should come first; then personal accounts, that is, accounts of which persons' names are the titles; then property accounts, that is, those whose names denote property in money or goods; then Profit & Loss Account. Thus far will suffice at the present stage of the learner's progress: what more the Ledger must contain to make it complete will be taught by and by: meanwhile the accounts are to be left open, not added.

Now, the name Capital occurs only once in the Journal, viz. as one of the credit entries that serve to meet *sundry* debit entries for the 1st of the month. Therefore Capital Account in the Ledger is made *Cr.* by Sundries for its amount, and the left side of the account is blank.

Of the personal accounts now to follow, the first referred to in the Journal is Mitchell & Sons, which is entered on the 1st as one of the *Drs.* to the Sundries on the right; and as it is again referred to on the 24th, as *Cr.* by Cash, we have two entries for the Ledger account Mitchell & Sons, making it *Dr.* to Sundries for £48 13s. 2d., and *Cr.* by Cash for the same amount.

An examination of the subjoined Ledger will show the other Journal titles dealt with in like manner.

LEDGER.

<i>Dr.</i>		CAPITAL ACCOUNT.				<i>Cr.</i>	
1885		£	s.	d.	1885 Aug. 1.	By Sundries .	£ s. d. 656 0 6
<i>Dr.</i>		MITCHELL & SONS.				<i>Cr.</i>	
Aug. 1.	To Sundries .	48	13	2	Aug. 24.	By Cash . .	48 13 2

<i>Dr.</i>		HAIG & CO.			<i>Cr.</i>				
1885		£	s.	d.	1885		£	s.	d.
Aug. 1.	To Sundries .	61	12	0	Aug. 8.	By Cash . .	61	12	0
24.	„ Goods .	69	4	7					

Dr.		WALTER WRIGHT.				Cr.			
Aug. 3.	To Cash . .	60	0	0	Aug. 1.	By Sundries .	102	8	8
29.	„ Cash . .	42	8	8					

<i>Dr.</i>		SPENCER & WEBB.				<i>Cr.</i>			
Aug. 3.	To Cash . .	40	0	0	Aug. 1.	By Sundries .	87	10	6
17.	„ Cash . .	47	10	6	20.	„ Goods .	53	16	8

<i>Dr.</i>		JAMES MASON.				<i>Cr.</i>			
Aug. 8.	To Goods	.	12	16	0				

<i>Dr.</i>		HUGHES & CO.				<i>Cr.</i>	
					Aug. 20. By Goods	.	107 7 6

<i>Dr.</i>		EDWARD SCOTT.				<i>Cr.</i>			
Aug. 24.	To Goods .	79	2	6					

<i>Dr.</i>		CASH ACCOUNT.				<i>Cr.</i>			
Aug. 1.	To Sundries .	230	14	6	Aug. 3.	By Sundries .	100	0	0
8.	„ Goods .	40	0	0	17.	„ Spencer &			
„	„ Haig & Co.	61	12	0		Webb .	47	10	6
12.	„ Goods .	10	15	4	29.	„ Walter			
24.	„ Mitchell &					Wright.	42	8	8
	Sons .	48	13	2	31.	„ Profit &			
						Loss .	9	11	2

Dr.		GOODS ACCOUNT.				Cr.	
1885		£	s.	d.	1885		£ s. d.
Aug. 1.	To Sundries .	505	0	0	Aug. 8.	By Sundries .	52 16 0
20.	„ Sundries .	161	4	2	12.	„ Cash . .	10 15 4
					24.	„ Sundries .	148 7 1

<i>Dr.</i>		PROFIT & LOSS ACCOUNT.				<i>Cr.</i>			
Aug. 31.	To Cash . .	9	11	2					

3. The entries on the left side of the above open Ledger consist of the *Dr.* entries of the Journal, and those on the right side are equivalent to credit duplicates of the same; the total amounts of the left and right sides, therefore, should exactly balance. Hence it is usual, when the Ledger is fully posted, to try whether it has been correctly posted, as follows:—

TRIAL BALANCE.

	<i>Drs.</i>			<i>Crs.</i>		
	£	s.	d.	£	s.	d.
Capital Account	0	0	0	656	0	6
Mitchell & Sons	48	13	2	48	13	2
Haig & Co.	130	16	7	61	12	0
Walter Wright	102	8	8	102	8	8
Spencer & Webb	87	10	6	141	7	2
James Mason	12	16	0	0	0	0
Hughes & Co.	0	0	0	107	7	6
Edward Scott	79	2	6	0	0	0
Cash Account	391	15	0	199	10	4
Goods Account	666	4	2	211	18	5
Profit & Loss A/c	9	11	2	0	0	0
	1528	17	9	1528	17	9

This agreement of results is a presumption that the Ledger has been rightly posted; and we may now teach something more that may be done with this Ledger. A Ledger in actual business would be much longer, would contain a greater variety of items, and would perhaps extend through at least six months before the accounts would be closed; but for teaching purposes a month may serve

very well as an assumed term of business at the end of which the accounts are to be closed; and we will presently show how the preceding Ledger may be balanced off. The method will be much more easily learnt now, than in connexion with the fuller sort of Ledger that includes transactions by Bills of Exchange, allowances of Discount, &c., which in due time, however, we will bring forward.

4. Let us, then, suppose that my affairs and transactions for August are fully recorded, and that the profit which I shall be found to have made on goods is not interfered with by any other Profit & Loss item than the amount of Wages and Trade expenses, which makes my total *nett* gain less by £9 11s. 2d.

The gain on goods is £20 14s. 8d., for the Goods Account, if balanced and closed, would appear as follows:—

Dr.		GOODS ACCOUNT.	Cr.	
Aug. 1. To Sundries	£505	0 0	Aug. 8. By Sundries	£52 16 0
20. „ Do.	161	4 2	12. „ Cash	10 15 4
31. „ Profit & Loss	20	14 3	24. „ Sundries	148 7 1
			31. „ Balance.	475 0 0
		686 18 5		686 18 5
Sept. 1. To Balance	£475	0 0		

Here, as the Balance of a Goods Account is always the amount which the goods remaining unsold have cost, or are worth according to the current market price, we place this given value, £475, as a balancing entry on the credit side. That side will now contain all that the goods disposed of are sold for, together with what the remainder is worth; and if the credit side be now added up, the amount will be the whole cost of the goods increased by the profit I have made. But the two entries on the left side constitute the whole cost, viz. £666 4s. 2d.; therefore, this subtracted from the amount of the credit side

shows the month's gain on goods to be £20 14s. 8d., which is a Profit & Loss item forming a closing entry for Goods Account. This, however, is a fresh entry of which the Ledger requires a credit duplicate in the Profit & Loss Account, viz. Profit & Loss *Cr.* by Goods. The Profit & Loss Account being then closed will show the total *nett* gain, by which Capital has been augmented by the month's transactions, to be £11 3s. 1d.; as follows:—

<i>Dr.</i> PROFIT & LOSS ACCOUNT.		<i>Cr.</i>	
Aug. 31. To Cash .	£ 9 11 2	Aug. 31. By Goods .	£20 14 3
,, ,, Capital .	11 3 1		
	£20 14 3		£20 14 3

Here, however, we have again a new single entry, viz. Profit & Loss *Dr.* to Capital, requiring to be entered inversely in Capital Account to keep the Ledger conformable to Double Entry. The following will then be the state of that account:—

CAPITAL ACCOUNT.

Aug. 31.	Aug. 1. By Sundries	£656 0 6
	31. " Profit & Loss	11 3 1
		<u> </u>

Now, as no further alteration of the original capital has resulted from the month's transactions, the final balance of this account appears to be £667 3s. 7d. But we should not insert that equalising entry in Capital Account before testing its consistency with the other balances throughout the Ledger. When it is added along with all the other *Cr.* balances, it ought to make the same total as the *Dr.* balances. The following account shows this to be the case. It consists of all the balances that appear to be wanted to equalise accounts.

BALANCE ACCOUNT.

Aug.	£	s.	d.	Aug.	£	s.	d.
31. To Haig & Co. .	69	4	7	31. By Capital .	667	3	7
„ James Mason .	12	16	0	„ Spencer & Co.	53	16	8
„ Edward Scott .	79	2	6	„ Hughes & Co.	107	7	6
„ Cash Account .	192	4	8				
„ Goods Account	475	0	0				
	828	7	9		828	7	9

If now these several balances were, for the sake of Double Entry, carried into their respective accounts, they would serve to close these accounts. We will exhibit this completion of a Ledger in the next section, where, as will be observed, we quote the above balances to open fresh books for September.

5. On 1st September, 1885, the affairs of the owner of the preceding Ledger were as follows :—

Cash in hand.	£192	4s.	8d.
Goods on hand	475	0	0
Owing to him by Haig & Co.	69	4	7
„ „ by James Mason	12	16	0
„ „ by Edward Scott	79	2	6
Owing by him to Spencer & Webb	53	16	8
„ „ to Hughes & Co.	107	7	6

Suppose now the following to have been his transactions in the month :—

Sept. 3. Received of James Mason	£ 12	16s.	0d.
7. Sold Watson & Co. goods	58	12	4
11. Bought of Jackson & Co. goods	90	6	10
„ Paid Jackson & Co.	60	0	0
16. Received of Haig & Co.	69	4	7
„ Sold Haig & Co. goods	119	6	9
19. Sold James Mason goods	78	10	0
„ Sold Charles Smith goods	69	5	6
„ Bought of Hughes & Co. goods	71	5	6
24. Paid Spencer & Webb	53	16	8
30. Received of Edward Scott	65	0	0
„ Cash paid wages and trade charges	4	11	9
„ The goods on hand are worth £340.			

* * These affairs and transactions are converted into the following Journal :—

JOURNAL.

		<i>Drs.</i>			<i>Crs.</i>		
1885		£	s.	d.	£	s.	d.
Sept.	1	Cash	192	4	8		
		Goods	475	0	0		
		Haig & Co	69	4	7		
		James Mason	12	16	0		
		Edward Scott	79	2	6		
		To Spencer & Webb			53	16	8
		„ Hughes & Co.			107	7	6
		„ Capital			667	3	7
	3	Cash	12	16	0		
		To James Mason			12	16	0
	7	Watson & Co.	58	12	4		
		To Goods			58	12	4
	11	Goods	90	6	10		
		To Cash			60	0	0
		„ Jackson & Co.			30	6	10
	16	Cash	69	4	7		
		To Haig & Co.			69	4	7
	„	Haig & Co.	119	6	9		
		To Goods			119	6	9
	19	James Mason	78	10	0		
		Charles Smith	69	5	6		
		To Goods			147	15	6
	„	Goods	71	5	6		
		To Hughes & Co.			71	5	6
	24	Spencer & Webb	53	16	8		
		To Cash			53	16	8
	30	Cash	65	0	0		
		To Edward Scott			65	0	0
	„	Profit & Loss	4	11	9		
		To Cash			4	11	9

* * These Journal entries now supply the postings of

the following Ledger, which is completed by the insertion of balancing and closing entries.

LEDGER.

<i>Dr.</i>		CAPITAL ACCOUNT.			<i>Cr.</i>	
1885 Sept. 30		£	s.	d.	1885 Sept. 30	£ s. d.
	To Balance .	691	14	1	By Sundries .	667 3 7
					„ Profit & Loss	24 10 6
		691	14	1		691 14 1
					By Balance .	691 14 1

<i>Dr.</i>		HAIG & CO.			<i>Cr.</i>	
1 16		£	s.	d.		£ s. d.
	To Sundries .	69	4	7	16 By Cash .	69 4 7
	„ Goods .	119	6	9	30 „ Balance .	119 6 9
		188	11	4		188 11 4
	To Balance .	119	6	9		

<i>Dr.</i>		JAMES MASON.			<i>Cr.</i>	
1 19		£	s.	d.		£ s. d.
	To Sundries .	12	16	0	3 By Cash .	12 16 0
	„ Goods .	78	10	0	30 „ Balance .	78 10 0
		91	6	0		91 6 0
	To Balance .	78	10	0		

<i>Dr.</i>		EDWARD SCOTT.			<i>Cr.</i>	
1		£	s.	d.		£ s. d.
	To Sundries .	79	2	6	30 By Cash .	65 0 0
					„ Balance .	14 2 6
		79	2	6		79 2 6
	To Balance .	14	2	6		

<i>Dr.</i>		SPENCER & WEBB.			<i>Cr.</i>	
1885 Sept. 24		£	s.	d.	1885 Sept. 1	£ s. d.
To Cash	.	53	16	8	By Sundries	53 16 8

<i>Dr.</i>		HUGHES & CO.		<i>Cr.</i>		
30	To Balance .	178	13 0	1	By Sundries .	107 7 6
				19	„ Goods .	71 5 6
		178	13 0			178 13 0
					By Balance .	178 13 0

<i>Dr.</i>		WATSON & CO.				<i>Cr.</i>	
7	To Goods . . .	58	12	4	30	By Balance . . .	58 12 4
	To Balance . . .	58	12	4			

<i>Dr.</i>		JACKSON & CO.				<i>Cr.</i>	
30	To Balance .	30	6	10	11	By Goods .	30 6 10
						By Balance .	30 6 10

<i>Dr.</i>		CHARLES SMITH.		<i>Cr.</i>			
19	To Goods . . .	69	5 6	30	By Balance . . .	69	5 6
	„ Balance . . .	69	5 6				

Dr.		CASH ACCOUNT.				Cr.	
1	To Sundries .	192	4	8	11	By Goods .	60 0 0
3	„ James Mason	12	16	0	24	„ Spencer & Co.	53 16 8
16	„ Haig & Co. .	69	4	7	30	„ Profit & Loss	4 11 9
30	„ Edward Scott	65	0	0	„	„ Balance .	220 16 10
		339	5	3			339 5 3
	To Balance .	220	16	10			

Dr.

GOODS ACCOUNT.

Cr.

1885 Sept.		£	s.	d.	1885 Sept.		£	s.	d.
1	To Sundries .	475	0	0	7	By Watson & Co.	58	12	4
11	„ Do. .	90	6	10	16	„ Haig & Co. .	119	6	9
19	„ Hughes & Co.	71	5	6	19	„ Sundries .	147	15	6
30	„ Profit & Loss	29	2	3	30	„ Balance .	340	0	0
		665	14	7			665	14	7
	To Balance .	340	0	0					

Dr.

PROFIT & LOSS ACCOUNT.

Cr.

30	To Cash .	4	11	9	30	By Goods .	29	2	3
	„ Capital (nett gain) .	24	10	6					
		29	2	3			29	2	3

Dr.

BALANCE ACCOUNT.

Cr.

30	To Haig & Co. .	119	6	9	30	By Capital. .	691	14	1
	„ James Mason	78	10	0		„ Hughes & Co.	178	13	0
	„ Edward Scott	14	2	6		„ Jackson & Co.	30	6	10
	„ Watson & Co.	58	12	4					
	„ Chas. Smith	69	5	6					
	„ Cash .	220	16	10					
	„ Goods .	340	0	0					
		900	13	11			900	13	11

6. If I buy of W. Brown goods on credit to the amount of £25, and pay for them in a month, he may, in consideration of being paid so soon, allow me some deduction, say a discount of $1\frac{1}{4}$ per cent., or 6s. 3d., accepting £24 13s. 9d. in settlement of his account.

Now, to record this transaction in my books, it will not suffice to enter W. Brown *Dr.* to Cash for £24 13s. 9d., because my books contain a previous entry of W. Brown

Cr. by Goods for £25, and these two amounts do not balance. My Journal entry must be—

W. Brown	£25 0s. 0d.	
To Cash		£24 13s. 9d.
„ Profit & Loss		0 6 3

Similarly, if T. Jones owes me £30, and I accept from him £29 10s. to settle my account, my Journal entry for this transaction will be—

Cash	£29 10s. 0d.	
Profit & Loss	0 10 0	
To T. Jones		£30 0s. 0d.

7. As the next Waste Book example, to be journalised and posted, will include transactions in Discount and Bills of Exchange, we shall here follow up what has been said in the preceding section about Discount with some observations on Bills of Exchange.

A Bill of Exchange is a written stamped engagement limiting definitely the duration of credit for a debt.

If I, (John Smith, suppose,) on the 5th September, owe Henry Wilson £60, he may then request me to sign a Bill engaging to pay that sum to him, or his order, in a month, or two or more months, calendar months being understood; and with this view he would *draw* on me, as it is called, by writing and addressing to me his request in some such form as the following:—

£60. London, September 5th, 1885.

One month after date, pay to me, or my order, the sum of Sixty Pounds, value received.

To Mr. John Smith,
Homestead Place.

Henry Wilson.

When I should receive this draft, I would signify my allowance of the obligation by writing my name across the face of the draft, and remitting it to Henry Wilson, thus making it what is termed my acceptance to Henry Wilson; I would call it in my books a *Bill Payable*, that is, which I have to pay.

If my name were Henry Wilson, and John Smith owed me £60, I might draw on him in the above form, and when he remitted it to me, with his signature across the face of the Bill, it would be his acceptance, and I should call it in my books a *Bill Receivable*, that is, which I have to receive. I might, however, pay it away to another person, for by endorsing it with my signature, I could entitle him to receive the amount when due.

It is not expedient here to engage the learner's attention with any further details about Bills, save that by a calendar month is meant the interval from a given day of one month to the same day of the following month; and that it is customary to allow three days of grace beyond the nominal period, before payment of a Bill can be claimed.

8. Let it be now required to journalise and post the contents of the following imaginary Waste Book, and to balance and close the Ledger.

1885		£	s.	d.
Oct.	1. Goods on hand	283	10	0
	„ Cash in hand	143	15	6
	„ Bills Receivable:			
	Self on E. Moss, due 27th October	28	10	0
	F. Giles on W. Carson, due 12th November	22	16	8
	„ Bill Payable: C. Wood's draft, due 22nd Oct.	47	9	8
	„ Owing by me to D. Wilson	17	18	9
	„ „ „ to R. Hodge	31	5	10
	„ Owing to me by J. Power	24	11	4
Oct.	2. Sold M. Parker goods	46	6	3
	„ Borrowed of S. Sharp	50	0	0
	5. Paid R. Hodge, in settlement of account	30	18	0
	„ Discount allowed by R. Hodge	0	7	10
	10. Sold J. Power goods	35	8	4
	„ Bought of A. Walters goods for cash	36	5	0
	12. Received of J. Power cash	20	0	0
	„ Received of J. Power his acceptance at 1 month, for balance of a/c with interest	40	3	0
	17. Sold H. Hind goods	34	0	0
	19. Bought of D. Wilson goods	43	5	9
	21. Accepted D. Wilson's draft at 1 month for	61	4	6

	1885	£	s.	d.
Oct. 21.	Drew out from the business for private use .	20	0	0
22.	Paid my acceptance due this day	47	9	8
„	Sold goods for cash	50	0	0
24.	Bought of R. Hodge :			
	goods, $\frac{1}{2}$ for cash, $\frac{1}{2}$ on credit	75	10	6
27.	Received payment of E. Moss's acceptance	28	10	0
28.	Sold E. Moss goods	27	18	4
29.	Received of M. Parker in settlement of his account, allowing him 23s. 3d. disc.	45	3	0
31.	Wages and trade expenses paid in the month	6	3	5
„	The goods on hand are worth £240.			

*** The following Journal of this Waste Book record will, when posted into the Ledger, show that the owner loses on the goods, and closes with a capital nearly £12 less than that with which he began.

JOURNAL.

		Drs.			Crs.		
		£	s.	d.	£	s.	d.
1885							
Oct.	1	Goods	283	10	0		
		Cash	143	15	6		
		Bills Receivable	51	6	8		
		J. Power	24	11	4		
		To Bill Payable			47	9	8
		„ D. Wilson			17	18	9
		„ R. Hodge			31	5	10
		„ Capital			406	9	3
	2	M. Parker	46	6	3		
		To Goods			46	6	3
	„	Cash	50	0	0		
		To S. Sharp			50	0	0
	5	R. Hodge	31	5	10		
		To Cash			30	18	0
		„ Profit & Loss			0	7	10
	10	J. Power	35	8	4		
		To Goods			35	8	4
	„	Goods	36	5	0		
		To Cash			36	5	0

JOURNAL—*Cont.*

		<i>Drs.</i>			<i>Crs.</i>		
1885		£	s.	d.	£	s.	d.
Oct.	12	Cash	20	0	0		
		Bills Receivable	40	3	0		
		To J. Power			59	19	8
		,, Profit & Loss			0	3	4
	17	H. Hind	34	0	0		
		To Goods			34	0	0
	19	Goods	43	5	9		
		To D. Wilson			43	5	9
	21	D. Wilson	61	4	6		
		To Bill Payable			61	4	6
	„	Capital	20	0	0		
		To Cash			20	0	0
	22	Bill Payable	47	9	8		
		To Cash			47	9	8
	„	Cash	50	0	0		
		To Goods			50	0	0
	24	Goods	75	10	6		
		To Cash			37	15	3
		,, R. Hodge			37	15	3
	27	Cash	28	10	0		
		To Bill Receivable			28	10	0
	28	E. Moss	27	18	4		
		To Goods			27	18	4
	29	Cash	45	3	0		
		Profit & Loss	1	3	3		
		To M. Parker			46	6	3
	31	Profit & Loss	6	3	5		
		To Cash			6	3	5

*** For economy of space we do not *bring down* the balances of the accounts in the following Ledger; but it

should be remembered that a Ledger is not strictly *closed* without bringing down the balances.

LEDGER.

Dr.		CAPITAL ACCOUNT.					Cr.		
1885		£	s.	d.	1885		£	s.	d.
Oct. 21	To Cash.	20	0	0	Oct. 1	By Sundries.	406	9	3
31	„ Prof. & Loss	11	13	10					
„	„ Balance	374	15	5					
		406	9	3			406	9	3

Dr.		J. POWER.				Cr.			
Oct. 1	To Sundries .	24	11	4	Oct. 12	By Sundries .	59	19	8
10	„ Goods .	35	8	4					
		59	19	8			59	19	8

Dr.		D. WILSON.			Cr.				
Oct. 21	To Bill Payable . . .	61	4	6	Oct. 1	By Sundries .	17	18	9
					19	„ Goods .	43	5	9
		61	4	6			61	4	6

Dr.		R. HODGE.				Cr.			
Oct. 5	To Sundries .	31	5	10	Oct. 1	By Sundries .	31	5	10
31	„ Balance .	37	15	3	24	„ Goods .	37	15	3
		69	1	1			69	1	1

Dr.		M. PARKER.				Cr.			
Oct. 2	To Goods	46	6	3	Oct. 29	By Sundries	46	6	3

<i>Dr.</i>		S. SHARP.			<i>Cr.</i>	
1885		£	s.	d.	1885	£ s. d.
Oct. 31	To Balance .	50	0	0	Oct. 2	By Cash . 50 0 0

<i>Dr.</i>		H. HIND.			<i>Cr.</i>	
Oct. 17	To Goods .	34	0	0	Oct. 31	By Balance . 34 0 0

<i>Dr.</i>		E. MOSS.			<i>Cr.</i>	
Oct. 28	To Goods .	27	18	4	Oct. 27	By Balance . 27 18 4

CASH ACCOUNT.

Oct. 1	To Sundries .	143	15	6	Oct. 5	By R. Hodge .	30	18	0
2	„ S. Sharp .	50	0	0	10	„ Goods .	36	5	0
12	„ Sundries .	20	0	0	21	„ Capital .	20	0	0
22	„ Goods .	50	0	0	22	„ Bill Pay- able .	47	9	8
27	„ Bill Rec'ble	28	10	0	24	„ Goods .	37	15	3
29	„ M. Parker	45	3	0	31	„ Profit & Loss .	6	3	5
					„	„ Balance .	158	17	2
		337	8	6			337	8	6

<i>Dr.</i>		BILLS RECEIVABLE ACCOUNT.			<i>Cr.</i>	
Oct. 1	To Sundries .	51	6	8	Oct. 27	By Cash . 28 10 0
12	„ do. .	40	3	0	31	„ Balance . 62 19 8
		91	9	8		91 9 8

<i>Dr.</i>		BILLS PAYABLE ACCOUNT.			<i>Cr.</i>	
Oct. 22	To Cash .	47	9	8	Oct. 1	By Sundries . 47 9 8
31	„ Balance .	61	4	6	21	„ D. Wilson 61 4 6
		108	14	2		108 14 2

Dr.		GOODS ACCOUNT.			Cr.				
1885		£	s.	d.	1885				
Oct. 1	To Sundries .	283	10	0	Oct. 2	By M. Parker	46	6	3
10	„ Cash	36	5	0	10	„ J. Power .	35	8	4
19	„ D. Wilson	43	5	9	17	„ H. Hind .	34	0	0
24	„ Sundries .	75	10	6	22	„ Cash	50	0	0
					28	„ E. Moss .	27	18	4
					31	„ Profit &			
						„ Loss	4	18	4
					„	„ Balance .	240	0	0
		438	11	3			438	11	3

Dr.		PROFIT & LOSS ACCOUNT.				Cr.			
Oct. 29	To M. Parker	1	3	3	Oct. 5	By R. Hodge.	0	7	10
31	„ Cash .	6	3	5	12	„ Sundries .	0	3	4
„	„ Goods .	4	18	4	31	„ Capital (loss) .	11	13	10
		12	5	0			12	5	0

Dr.		BALANCE ACCOUNT.				Cr.			
Oct. 31	To H. Hind .	34	0	0	Oct. 31	By Capital .	374	15	5
	„ E. Moss .	27	18	4		„ R. Hodge	37	15	3
	„ Cash .	158	17	2		„ S. Sharp .	50	0	0
	„ Bills R'ble	62	19	8		„ Bills Pay- able .	61	4	6
	„ Cash .	240	0	0					
		523	15	2			523	15	2

Exercises 6.

Journalise and post the following Waste Book records. Balance and close the Ledgers.

(1) On November 2nd, 1885, Edwin Jones had cash in hand £320 18s. and goods on hand worth £320; he owed £26 to Elder & Co., and £37 to Arthur Cripps; and there was owing to him £105 16s. 9d. by John Guest, and £64 11s. by Isaac Green. His transactions in November were the following:—

Nov. 2.	Bought of Scott & Sons goods	£55 18s. 8d.
4.	Sold William Bright goods	34 12 6
„	Sold James Little goods	52 2 6
7.	Paid Elder & Co. to settle their account	25 7 0
12.	Received of John Guest	100 0 0
16.	Received of Isaac Green	64 11 0
23.	Bought of Elder & Co. goods	87 17 6
25.	Sold Isaac Green goods	160 0 0
28.	Received of John Guest to balance his a/c	5 14 0
30.	Bought goods for cash	47 13 6
„	Wages and trade expenses paid in the month	8 1 7
„	The goods on hand are worth £280.	

Ans. Nett gain £7 14s. 6d.

(2) *Affairs on March 1st, 1885.*

Cash in hand	£320 0s. 0d.
Goods on hand	495 0 0
Owing to me by Roberts & Allen	84 13 4
Owing by me to Curtis & Green	106 4 10

Transactions of the Month.

Mar. 5.	Sold goods for cash	52 10 0
„	Bought of Curtis & Green goods	90 0 0
„	Sold Joseph Brett goods for cash	37 12 6
„	„ „ „ on credit	70 0 0
13.	Received of Roberts & Allen	50 0 0
24.	Paid Curtis & Green	100 0 0
27.	Sold Roberts & Allen goods	62 15 0
31.	Wages and trade charges paid in the month	5 10 4
„	The goods on hand are worth £360.	

Ans. Nett loss £7 12s. 10d.

(3) On 1st May, 1885, Henry Hill found the state of his affairs to be as follows:—

His stock of goods was valued at £250, he had in cash £247 10s., and he held two Bills Receivable, together amounting to £72 5s. 2d., one of them for £33 16s. 8d., due 20th May, drawn by himself on W. Jephson, the other drawn by Charles Poole on Smith Brothers, and due 4th June. Edwin Farmer owed him £40 7s. 11d., and George Rayner owed him £19 12s. 10d. He owed £23 5s. 4d. to James Kitson, and £22 11s. 7d. to Craig & Co., besides a Bill Payable due 10th June; and his nett capital was £538 7s. 6d.

The following were his transactions in May :—

May 1. Bought of Edgar Watts goods	£120	0s.	0d.
2. Paid James Kitson	22	19	6
viz. for amt. of acct.	£23	5s.	4d.
less discount	0	5	10
5. Sold Daniel Kent goods	92	3	4
9. Received of George Rayner, to settle a/c	19	3	0
15. Bought of James Kitson goods	69	15	8
18. Received of Edwin Farmer cash £20, and his acceptance at 2 months for £20 11s. 4d., to balance his acct. with 3s. 5d. interest	40	11	4
20. Received payment of Jephson's Bill	33	16	8
21. Sold George Rayner goods for cash	30	0	0
" " " on credit	30	15	3
25. Paid Craig & Co.	22	11	7
26. Received of Daniel Kent	40	0	0
" Sold goods for cash	40	10	0
" Bought of Craig & Co. goods, and accepted their draft, at 1 month, for the amount	150	0	0
27. Received of Daniel Kent his acceptance, at 1 month, for balance of account	52	3	4
28. Sold W. Jephson goods	85	8	6
" Sold Charles Poole goods	55	14	0
30. Wages and trade expenses in the month	6	13	6
" The goods on hand are worth £260.			

Ans. Nett loss £1 18s. 8d.

(4) *Affairs on 1st July, 1885.*

Cash in hand	£313	16s.	6d.
Goods on hand	400	0	0
Bills Receivable :			
Self on Frank Powell, due 8th July	57	14	6
Self on Richard Ayres, due 11th July	48	9	4
Owing to Jason Welsh	123	7	6
" to Henry Wood	72	15	0
" to Henry Frost	23	6	8
Bills Payable :			
Ralph Turner's draft, due 13th July	108	10	0
John White's do., due 8th August	63	8	8
Owing by Andrew Wood	76	10	9
" by Charles Ward	73	11	5

Transactions in July.

July 1.	Received of Charles Ward	£72 16s. 9d.
„	Sold goods for cash	33 15 0
„	Allowed to Charles Ward discount	0 14 8
7.	Sold Charles Ward goods :	
	$\frac{1}{2}$ for cash, $\frac{1}{2}$ on credit	138 16 10
8.	Frank Powell's bill duly paid	57 14 6
11.	Bought of Henry Frost goods	130 5 6
„	Accepted Henry Frost's draft, at 1 month, for	153 12 2
„	Received payment of Richard Ayres's Bill	48 9 4
13.	Paid my acceptance due this day	108 10 0
15.	Sold Frank Powell goods	161 12 10
„	Sold Richard Ayres goods	57 10 0
„	Received of Frank Powell his acceptance at	
	1 month	161 12 10
17.	Received of Richard Ayres his acceptance at	
	1 month	57 10 0
„	Bought of Ralph Turner goods	90 7 6
18.	Drew out from the business for private use	100 0 0
21.	Sold James Robson goods	126 10 0
„	Sold goods for cash	90 0 0
22.	Paid Jason Welsh	121 16 8
	viz. for amount of a/c	£123 7s. 6d.
	less discount	1 10 10
„	Paid Henry Wood	71 16 10
	viz. for amount of a/c	£72 15s. 0d.
	less discount	0 18 2
23.	Bought of Jason Welsh goods	179 18 6
25.	Sold John Gilbert goods	80 11 9
„	Sold James Price goods	70 0 0
27.	Received of Andrew Wood cash	40 0 0
	and his acceptance, at 2 months, for balance	
	of a/c with 6s. 1d. interest	36 16 10
„	Bought goods of Henry Wood, and accepted	
	his draft, at 1 month, for the amt. . . .	80 0 0
31.	Wages and trade charges paid in the month	7 14 7
„	The goods on hand are worth £220.	

Ans. Nett gain £92 10s. 9d.

CHAPTER VI.

SINGLE ENTRY.

1. The Ledger according to Single Entry contains no property titles as headings of accounts : it excludes Cash Account, Bills Accounts, and Goods Account, and consists mainly of Capital Account, Personal Accounts, and Profit & Loss Account. It is therefore imperfect as compared with the Double Entry Ledger. But many kinds of business have such a multitude of different articles to deal with, that only Single Entry will suit them. The study of Double Entry, however, should always be followed with that of Single Entry.

2. A Single Entry Ledger can derive its Capital Account and its Personal and Profit & Loss Accounts directly from the Waste Book ; and in lieu of Property Accounts it inserts merely their known balances in a Balance Account. The gain or loss on goods is supplied to the Profit & Loss Account by the Day Books. The Balance Account suffices as a Trial Balance for the Ledger.

3. To what has been taught in Chapter II. respecting the Cash Book, we may here add further explanation of the example in page 7, that, for Single Entry, it is not read like a Ledger Cash Account of Double Entry. Its *Dr.* items are simply regarded as signifying that the cash portion of my capital is £210 15s. 6d., that I have received cash £9 2s. 6d. for goods, £22 10s. from W. Hope, &c. ; its *Cr.* items signify that I have paid cash £18 2s. 4d. for goods, £62 8s. 4d. to J. Wilson, &c. And we may here remark that some entries of a Cash Book are in real business usually of a descriptive kind, including what is called *narration*, which is not wanted, nor properly admissible in

a Ledger Cash Account. This circumstance, together with the expediency of balancing and reopening Cash at much shorter intervals than a Ledger term, is the reason why a separate Cash Book is kept by Double Entry accountants.

Cash Books commonly record discounts; and such deductions may be thence posted into the Profit & Loss Account, instead of from the Waste Book.*

4. We now proceed to the conversion of a given Waste Book into a Cash Book, Day Books, and a Ledger according to Single Entry.

WASTE BOOK.

Affairs on September 1st, 1885.

Sept.	1. Cash in hand	£227 12s. 0d.
	„ Grocery on hand	186 7 0
	„ Wine on hand	142 18 6
	„ Owing to me by Bates & Co.	27 11 5
	„ „ „ by Edward Young	15 17 4
	„ Owing by me to E. Frame & Co.	23 11 3
	2. Sold for cash grocery	14 10 6
	3. Received of Edward Young	15 12 7
	viz. for amt. of a/c £15 17s. 4d.	
	less discount 0 4 9	
	5. Sold Edward Young :	
	grocery . . . £30 9s. 10d.	
	and wine . . . 10 0 0	40 9 10

* Or they may be first posted into a Discount Account, from which the equalising difference, *To* or *By Profit and Loss*, would have to be carried to Profit & Loss Account as *By* or *To Discount*. Thus, from the Cash Book at foot of the two following pages we have Discount *Dr.* to E. Young and *Cr.* by E. Frame; and the equalising difference of these in a Ledger Discount Account would come on the *Dr.* side, and be called Profit & Loss, the repetition of which in the Profit & Loss Account would be *By Discount 2s. 8d.*

Sept. 7.	Sold Francis Green wine	£22 18s. 8d.		
10.	Bought of E. Frame & Co. :			
	grocery	£47 16s. 6d.		
	and wine	23 15 0	71 11 6	
13.	Paid E. Frame & Co.		23 4 3	
	viz. for amt. of a/c £23 11s. 3d.			
	less discount 0 7 0			
	Drew out for private use		20 0 0	
17.	Sold Edward Young wine		15 10 6	
19.	Received of Bates & Co.		20 0 0	
22.	Paid E. Frame & Co.		45 0 0	
„	Bought of E. Frame & Co. wine		29 17 6	
23.	Sold Bates & Co. grocery—			
	for $\frac{1}{2}$ in cash, $\frac{1}{2}$ on credit		32 9 8	
25.	Sold C. Cross :			
	grocery	£24 11s. 7d.		
	and wine	45 11 9	70 3 4	
28.	Bought of John Mills :			
	grocery	£60 0s. 0d.		
	and wine	35 16 0	95 16 0	
„	Received of Edward Young		40 9 10	
29.	Paid E. Frame & Co.		40 0 0	
„	Sold Willis & Jones wine		52 3 4	
30.	Wages and trade expenses paid in the month		6 10 6	
„	Goods on hand: Grocery, £203 ; Wine, £98.			

*** From the above record we obtain the subjoined Cash and Discount entries.

Dr. CASH BOOK.

1885		Disc.	£	s.	d.
Sept. 1	To Balance		227	12	0
2	„ Grocery		14	10	6
3	„ Edward Young	4/9	15	12	7
19	„ Bates & Co.		20	0	0
23	„ Grocery		16	4	10
28	„ Edward Young		40	9	10
	Disc. Dr. 4s. 9d.		334	9	9
Oct. 1	To Balance		199	15	0

SOLD DAY BOOK.

		Grocery.			Wine.			Total.		
		£	s.	d.	£	s.	d.	£	s.	d.
1885 Sept. 5	Edward Young :									
	To Grocery . . .	30	9	10						
	„ Wine . . .				10	0	0	40	9	10
7	Francis Green :									
	To Wine . . .				22	18	8	22	18	8
17	Edward Young :									
	To Wine . . .				15	10	6	15	10	6
23	Bates & Co. :									
	To Grocery . . .	16	4	10				16	4	10
25	C. Cross :									
	To Grocery . . .	24	11	7						
	„ Wine . . .				45	11	9	70	3	4
29	Willis & Jones :									
	To Wine . . .				52	3	4	52	3	4
30	Total Credit Sales . .	71	6	3	146	4	3	217	10	6
	„ Cash Sales . .	30	15	4	0	0	0	30	15	4
	Goods on hand on 30th .	203	0	0	98	0	0	301	0	0
		305	1	7	244	4	3	549	5	10

** The last total result, £549 5s. 10d., compared with the total cost of goods as known by the Bought Day Book which follows, shows that £22 14s. 10d. has been gained on goods; this sum, therefore, will be carried to the credit side of Profit & Loss Account in the Ledger.

CASH BOOK.

Cr.

		Disc.	£	s.	d.
1885 Sept. 13	By E. Frame & Co. .	7,0	23	4	3
„	„ Capital . . .		20	0	0
22	„ E. Frame & Co. .		45	0	0
29	„ E. Frame & Co. .		40	0	0
30	„ Profit & Loss . .		6	10	6
„	„ Balance . . .		199	15	0
	Disc. Cr. 7s. 0d. . .		334	9	9

* * If a Discount Account were opened in the Ledger, the above Cash Book provides for it the two entries Discount *Dr.* to Edward Young 4s. 9d. and *Cr.* by E. Frame & Co. 7s. The equalising of the account would be by the entry *To Profit & Loss* 2s. 3d. But a Discount Account can easily be dispensed with, when the discounts are few; and in the present case we will carry the two discounts at once to Profit & Loss Account, reading them as Profit & Loss *Dr.* to Edward Young and *Cr.* by E. Frame & Co.

BOUGHT DAY BOOK.

1885		Grocery.			Wine.			Total.		
		£	s.	d.	£	s.	d.	£	s.	d.
Sept. 10	E. Frame & Co. :									
	By Grocery . . .	47	16	6						
	„ Wine . . .				23	15	0	71	11	6
22	E. Frame & Co. :									
	By Wine . . .				29	17	6	29	17	6
28	John Mills :									
	By Grocery . . .	60	0	0						
	„ Wine . . .				35	16	0	95	16	0
30	Total Credit Purchases . . .	107	16	6	89	8	6	197	5	0
	Total Cash Purchases . . .							0	0	0
	Goods on hand on 1st . . .	186	7	6	142	18	6	329	6	0
	Gain on Goods . . .	10	17	7	11	17	3	22	14	10
		305	1	7	244	4	3	549	5	10

* * In the following Ledger, to economise space, we again neglect to bring down the balances.

LEDGER.

<i>Dr.</i>		CAPITAL ACCOUNT.					<i>Cr.</i>		
1885		£	s.	d.	1885		£	s.	d.
Sept. 1	To Liability .	23	11	3	Sept. 1	By Assets .	600	6	9
13	„ Cash .	20	0	0	30	„ Profit &			
30	„ Balance .	573	2	1		Loss .	16	6	7
		616	13	4			616	13	4

<i>Dr.</i>		BATES & CO.				<i>Cr.</i>			
Sept. 1	To Sundries .	27	11	5	Sept. 19	By Cash .	20	0	0
23	„ Goods .	16	4	10	30	„ Balance .	23	16	3
		43	16	3			43	16	3

<i>Dr.</i>		EDWARD YOUNG.			<i>Cr.</i>				
Sept. 1	To Sundries .	15	17	4	Sept. 3	By Cash &			
5	„ Goods .	40	9	10		discount	15	17	4
17	„ Do. .	15	10	6	28	„ Cash .	40	9	10
					30	„ Balance .	15	10	6
		71	17	8			71	17	8

Dr.		E. FRAME & CO.			Cr.				
Sept. 13	To Cash & Discount	23	11	3	Sept. 1	By Sundries .	23	11	3
22	„ Cash .	45	0	0	10	„ Goods .	71	11	6
29	„ Do. .	40	0	0	22	„ Do. .	29	17	6
30	„ Balance :	16	9	0					
		125	0	3			125	0	3

<i>Dr.</i>		FRANCIS GREEN.				<i>Cr.</i>			
Sept. 7	To Goods .	22	18	8	Sept. 30	By Balance .	22	18	8

<i>Dr.</i>		C. CROSS.			<i>Cr.</i>				
Sept. 25	To Goods .	70	3	4	Sept. 30	By Balance .	70	3	4

<i>Dr.</i>		WILLIS & JONES.				<i>Cr.</i>	
1885 Sept. 29	To Goods	£	s.	d.	1885 Sept. 30	By Balance	£ s. d.
		52	3	4			52 3 4

<i>Dr.</i>		JOHN MILLS.				<i>Cr.</i>	
Sept. 30	To Balance	95	16	0	Sept. 28	By Goods	95 16 0

<i>Dr.</i>		PROFIT & LOSS ACCOUNT.				<i>Cr.</i>	
Sept. 3	To Edward Young	0	4	9	Sept. 13	By E. Frame & Co.	0 7 0
30	„ Cash	6	10	6	30	„ Goods	22 14 10
„	„ Capital (gain)	16	6	7			
		23	1	10			23 1 10

<i>Dr.</i>		BALANCE ACCOUNT.				<i>Cr.</i>	
Sept. 30	To Bates & Co.	23	16	3	Sept. 30	By Capital	573 2 1
„	„ Edward Young	15	10	6	„	„ E. Frame & Co.	16 9 0
„	„ Francis Green	22	18	8	„	„ John Mills	95 16 0
„	„ C. Cross	70	3	4			
„	„ Willis & Jones	52	3	4			
„	„ Cash	199	15	0			
„	„ Goods	301	0	0			
		685	7	1			685 7 1

5. When a business is of such a nature that its Ledger cannot be kept by Double Entry, distinct money columns can very seldom be assigned for different kinds of goods in the Day Books. In the following example several kinds of goods are specified, but their amounts are not to be placed in separate money columns.

W. Grover's Affairs on November 2nd 1855

Nov. 2.	Cash in hand	£178 10s. 0d.		
"	Goods on hand	380 0 0		
"	Bills Receivable: R. Johnson's draft on W. Pegler, due 12th Nov.	46 13 6		
"	Owing to me by George Rind	107 4 8		
"	" " by A. Sewell	27 11 9		
"	Owing by me to Hind & Co.	18 7 10		
"	" " to F. Linley	21 16 4		
"	" " a Bill Payable due 1st Dec.	135 10 6		

His Transactions in the month.

Nov. 3.	Sold S. Reeves : ♦			
	43 yds. flannel at 1s. 8d.	£3 11s. 8d.		
	24 yds. cotton print at 10d.	1 0 0	4 11 8	
	Sold E. Viner :			
	Fancy goods	£17 10s. 0d.		
	186 yds. calico at 7½d.	5 16 3		
	54 yds. Irish sheeting at 3s. 3d.	8 15 6		
	63 yds. flannel at 1s. 7d.	4 19 9	37 1 6	
5.	Paid F. Linley, to settle his account	21 10 10		
"	Discount allowed by F. Linley	0 5 6		
"	Received from E. Viner : his acceptance, at 1 month, for	37 1 6		
	Bought of Whyte & Co. 150 yds. silk at 5s. 3d.	£39 7s. 6d.		
	Fancy goods	10 15 0		
	and accepted their draft at 1 month for	50 2 6		
9.	Bought of F. Linley : 300 yds. cotton print at 10½d.	£13 2s. 6d.		
	120 yds. calico at 8½d.	4 2 6	17 5 0	
12.	Received payment of Prince's Bill due this day	46 13 6		
"	Sold R. Johnson : 56 yds. silk at 5s. 8d.	£15 17s. 4d.		
	30 yds. do. at 5s. 0d.	7 10 0	23 7 4	

Nov. 16.	Sold 40 yds. calico sheeting				
	at 1s. 9d.			£3	10s. 0d.
	36 yds. Irish sheeting at				
	3s. 3d.			5	17 0
	allowing 2½ per cent. discount for cash			£ 9	2s. 4d.
21.	Paid Hind & Co. to settle their account			18	3 3
24.	Received of George Rind			90	0 0
25.	Borrowed of Mark Hood £120 at 6 per cent.,				
	and accepted his draft on me, at 3 months,				
	for loan and interest			121	16 0
28.	Bought of Hind & Co. :				
	400 yds. flannel at 1s. 5d.			£28	6s. 8d.
	235 yds. cotton print at 11½d.			11	5 2 39 11 10
„	Sold James Pike :				
	153 yds. silk at 6s. 4d.			£48	9s. 0d.
	228 yds. flannel at 1s. 10d.			20	18 0 69 7 0
30.	Wages and trade expenses paid in the month			6	3 7
„	The goods on hand may be valued at			£370.	

* * It is required to digest this Waste Book into Cash Book, Day Books, and Single Entry Ledger, and to balance the Ledger.

Was the owner of the books solvent or insolvent on 30th November? By how much?

CASH BOOK.

Dr.

1885		Disc.	£	s.	d.
Nov. 2	To Balance . . .		178	10	0
12	„ Bill Rec'ble . . .		46	13	6
16	„ Goods . . .		9	2	4
24	„ George Rind . . .		90	0	0
25	„ Bill Payable . . .		120	0	0
			444	5	10

SOLD DAY BOOK.

1885		£	s.	d.	£	s.	d.
Nov. 3	S. Reeves:						
	To 48 yds. flannel at 1s. 8d.	3	11	8			
	„ 24 yds. cotton print at 10d.	1	0	0	4	11	8
	E. Viner:						
	To Fancy goods	17	10	0			
	„ 186 yds. calico at 7½d.	5	16	3			
	„ 54 yds. Irish sheeting at 3s. 3d.	8	15	6			
	„ 63 yds. flannel at 1s. 7d.	4	19	9	37	1	6
12	R. Johnson:						
	To 56 yds. silk at 5s. 8d.	15	17	4			
	„ 30 yds. do. at 5s. 0d.	7	10	0	23	7	4
18	James Pike:						
	To 153 yds. silk at 6s. 4d.	48	9	0			
	„ 228 yds. flannel at 1s. 10d.	20	18	0	69	7	0
30	Total credit sales in November				134	7	6
	„ cash do. in				9	2	4
	Value of goods on hand on 30th November				370	0	0
	Amount of goods sold and on hand				513	9	10

CASH BOOK.

Cr.

1885		Disc.	£	s.	d.
Nov. 5	By F. Linley	5/6	21	10	10
21	„ Hind & Co.	4/7	18	3	3
30	„ Profit & Loss		6	3	7
„	„ Balance		398	8	2
	Disc. Cr. 10s. 1d.		444	5	10

BOUGHT DAY BOOK.

1885		£	s.	d.	£	s.	d.
Nov. 7	Bill Payable : (my acceptance to Whyte & Co.)						
	By 150 yds. silk at 5s. 3d.	39	7	6			
	„ Fancy goods	10	15	0	50	2	0
9	F. Linley :						
	By 300 yds. cotton print at 10½d.	13	2	6			
	„ 120 yds. calico at 8¼d.	4	2	6	17	5	0
28	Hind & Co. :						
	By 400 yds. flannel at 1s. 5d.	28	6	8			
	„ 235 yds. cotton print at 11½d.	11	5	2	39	11	10
30	Total credit purchases in November				106	19	4
	„ cash purchases				0	0	0
	Goods on hand on 2nd Nov.				380	0	0
	To Profit & Loss for gain on goods				26	10	6
	Total amount as per Sold Day Book				513	9	10

LEDGER.

Dr.		CAPITAL ACCOUNT.				Cr.			
1885		£	s.	d.	1885		£	s.	d.
Nov. 2	To Liabilities	175	14	8	Nov. 2	By Assets	739	19	11
30	„ Balance	583	6	3	30	„ Pro.& Loss	19	1	0
		759	0	11			759	0	11

Dr.		GEORGE RIND.				Cr.			
Nov. 2	To Sundries	107	4	8	Nov. 24 30	By Cash .	90	0	0
						„ Balance .	17	4	8
		107	4	8			107	4	8

Dr.		A. SEWELL.		Cr.	
Nov. 1	To Sundries .	27 11 9	Nov. 30	By Balance .	27 11 9

<i>Dr.</i>		HIND & CO.			<i>Cr.</i>	
1885		£	s.	d.	1885	£ s. d.
Nov. 21	To Cash & Discount	18	7	10	Nov. 1	By Sundries . 18 7 10
30	„ Balance .	39	11	10	28	„ Goods . 39 11 10
		57	19	8		57 19 8

<i>Dr.</i>		F. LINLEY.			<i>Cr.</i>	
Nov. 5	To Cash & Discount	21	16	4	Nov. 1	By Sundries . 21 16 4
30	„ Balance .	17	5	0	9	„ Goods . 17 5 0
		39	1	4		39 1 4

<i>Dr.</i>		S. REEVES.			<i>Cr.</i>	
Nov. 3	To Goods .	4	11	8	Nov. 30	By Balance . 4 11 8

<i>Dr.</i>		E. VINER.			<i>Cr.</i>	
Nov. 3	To Goods .	37	1	6	Nov. 5	By Bill Rec'ble 37 1 6

<i>Dr.</i>		R. JOHNSON.			<i>Cr.</i>	
Nov. 12	To Goods .	23	7	4	Nov. 30	By Balance . 23 7 4

<i>Dr.</i>		JAMES PIKE.			<i>Cr.</i>	
Nov. 28	To Goods .	69	7	0	Nov. 30	By Balance . 69 7 0

<i>Dr.</i>		PROFIT & LOSS ACCOUNT.			<i>Cr.</i>	
Nov. 25	To B/ Payable	1	16	0	Nov. 30	By Sundries . 0 10 1
30	„ Cash .	6	3	7	„	„ Goods . 26 10 6
„	„ Capital .	19	1	0		
		27	0	7		27 0 7

Dr.		BALANCE ACCOUNT.			Cr.				
1885		£	s.	d.	1885				
Nov. 30	To G. Rind .	17	4	8	Nov. 30	By Capital .	583	6	3
"	" A. Sewell	27	11	9	"	" Hind & Co. .	39	11	10
"	" S. Reeves	4	11	8	"	" F. Linley	17	5	0
"	" R. Johnson	23	7	4	"	" Bills Pay-able .	307	9	0
"	" JamesPike	69	7	0					
"	" Cash	898	8	2					
"	" Bills Rec'-ble .	37	1	6					
"	" Goods .	370	0	0					
		947	12	1			947	12	1

Ans. The owner of the Books was solvent by £583 6s. 3d.

Exercises 7.

Digest each of the following Waste Books into Cash Book, Bought and Sold Day Books, and Single Entry Ledger. Balance and close the Ledgers.

(1) *H. Walford's Affairs on 1st January, 1885,*

Jan. 1.	Cash in hand	.	.	.	.	.	£450	16s.	0d.
"	Goods on hand :								
	Bacon, 31 cwt. 0 lb.	.	.	.	.	£114	12s.	0d.	
	Cheese, 5 60	.	.	.	.	23	5	0	137 17 0
"	Owing to him by Amos Weston	.	.	.	.	24	9	9	
"	" " by Hugh Bell	.	.	.	.	37	16	4	
"	" " by A. & S. Clarke	.	.	.	.	13	7	6	
"	Owing by him to Frank Moore	.	.	.	.	25	0	0	
"	" " to Webster & Co.	.	.	.	.	18	1	6	

His Transactions in January were as follows :—

Jan. 2.	Paid Frank Moore	.	.	.	.	.	25	0	0
5.	Sold A. & S. Clarke :								
	Bacon, 2 cwt. 68 lb. at 9d.	£10	19s.	0d.					
	Cheese, 0 86 at 10d.	3	11	8		14	10	8	
10.	Received of Hugh Bell	.	.	.	.	37	16	4	

Jan. 12. Bought of Frank Moore bacon :

for cash, 2 cwt. 16 lb. at $7\frac{1}{4}d.$	£ 7	5s	0d.	
on credit, 2 66 at $7\frac{1}{4}d.$	9	1	3	£16 6s. 3d.

12. Sold Hugh Bell :

Bacon, 3 cwt. 50 lb. at $9d.$	£14	9s.	6d.	
do. 2 36 at $10\frac{1}{2}d.$	10	18	9	25 8 3

15. Sold Watson Brothers :

Bacon, 3 cwt. 26 lb. at $9\frac{1}{4}d.$	£14	6s.	7d.	
do. 2 73 at $10\frac{1}{2}d.$	12	19	10	27 6 5

17. Bought of Henry Martin :

Bacon, 4 cwt. 18 lb. at $7\frac{3}{4}d.$	£15	0s.	11d.	
do. 2 24 at $8\frac{1}{2}d.$	8	15	8	23 16 7

„ Bought for cash :

Bacon, 1 cwt. 38 lb. at $8d.$	.	.	.	5 0 0
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20. Sold Hugh Bell :

Cheese, 0 cwt. 56 lb. at $10d.$	£2	6s.	8d.	
do. 0 80 at $11d.$	3	13	4	6 0 0

24. Bought of Emery & Co. :

Cheese, 1 cwt. 108 lb. at $9\frac{1}{2}d.$	£8	14s.	2d.	
do. 1 101 at $8\frac{3}{4}d.$	7	15	3	16 9 5

„ Received of Amos Weston 24 9 9

26. Paid Webster & Co. 18 1 6

27. Sold Amos Weston :

Bacon, 1 cwt. 81 lb. at $9d.$	£ 7	4s.	9d.	
do. 4 54 at $10\frac{1}{2}d.$	21	19	3	
Cheese, 1 56 at $10d.$	7	0	0	
do. 1 2 at $11d.$	5	4	6	41 8 6

29. Bought of Webster & Co. :

Bacon, 6 cwt. 0 lb. at $7\frac{3}{4}d.$	£21	14s.	0d.	
do. 4 0 at $8\frac{1}{2}d.$	15	17	4	37 11 4

30. Sold for cash :

Bacon, 0 cwt. 49 lb. at $8\frac{3}{4}d.$	£1	15s.	8d.	
do. 0 51 at $9\frac{1}{4}d.$	1	19	3	3 14 11

31. Received of A. & S. Clarke 20 0 0

„ Wages and trade expenses paid in the month 5 8 10

„ Worth of the bacon on hand £118 10s. 0d.

„ „ „ cheese „ 20 15 0

Ans. Total nett gain. £15 4s. 4d.

(2) *Ewart & Son found the state of their Affairs on 1st November, 1884, to be as follows :—*

Nov. 1.	Cash in hand	£ 76 10s. 6d.
„	Goods on hand	435 0 0
„	Bills Receivable :	
	Selves on Francis White due 11th Nov. .	83 15 0
	Allan Kemp on W. Duke due 5th Dec. .	86 14 8
„	Owing by us to Walter Henry	65 11 6
„	„ „ to Ferris & Co.	42 0 0
„	„ „ a Bill Payable due 12th Dec. .	63 10 0
„	Owing to us by Adam Wilson	113 12 4
„	„ „ by C. & M. Smith	27 9 7

Their Transactions in November were as follows :—

Nov. 3.	Borrowed of Thomas Hart, to be repaid in a month with 7s. 6d. interest	80 0 0
4.	Bought of Charles Long goods	118 11 10
„	Bought of Ferris & Co. goods	24 16 0
8.	Received of Adam Wilson	100 0 0
11.	Sold Allan Kemp goods	41 13 4
„	Sold goods for cash	10 10 0
„	Received payment of White's Bill	83 15 0
15.	Paid Ferris & Co.	42 0 0
17.	Paid Walter Henry	64 12 0
	viz. for amt. of account . £65 11s. 6d.	
	less discount	0 19 6
19.	Sold Isaac Mant goods	155 16 8
21.	Bought of Walter Henry goods	36 12 6
24.	Received of Isaac Mant cash . £ 50 0s. 0d.	
	and his accept ^{ce} at 1 month for	105 16 8
26.	Bought goods for cash	23 9 6
29.	Received of Adam Wilson	13 8 3
	viz. for balance of account £13 12s. 4d.	
	less discount	0 4 1
29.	Sold Adam Wilson goods	107 7 6
„	Wages and trade charges paid in the month .	9 4 7
„	The goods on hand may be valued at £350.	
	<i>Ans. Total nett gain, £18 8s. 6d.</i>	

(3) July 1st, 1885. At this date Williams & Warren had goods in stock £1032 7s. 9d.; cash in hand £207 10s. 8d.; Bills Receivable in hand, viz. E. Mair's acceptance of H. Willis's draft for £74 14s. due 21st July, and T. Guest's acceptance of their draft for £53 17s. due 6th August; and the balance of their Bills Payable was £421 12s. 6d., viz. their acceptance to E. Moore for £152 18s. due 21st July, and their acceptance to W. Lewis for £268 14s. 6d. due 27th July.

At the same date the following personal accounts had balances brought forward:—

	<i>Dr.</i>	<i>Cr.</i>
H. Willis	£27 13s. 4d.	
H. Weston	53 11 4	
L. Jackson	93 16 5	
T. White		£ 81 10s. 6d.
R. Wharton		117 5 8

The following is the record of their transactions in July, 1885:—

July 1. Bought of W. Lewis goods	£173 18s. 6d.
3. Received of L. Jackson to settle a/c	92 13 0
6. Paid T. White in settlement of a/c	80 10 0
10. Sold L. Jackson goods	182 17 6
11. Accepted R. Wharton's draft at 1 month, to balance account	117 15 0
13. Received of H. Willis	27 13 4
„ Sold L. Jackson goods	374 16 8
16. Received of H. Weston	40 0 0
17. Sold H. Weston goods	118 8 7
20. Bought of T. White goods	354 10 0
21. Sold goods for cash	210 0 0
„ Received payment of E. Mair's Bill	74 14 0
„ Paid our acceptance to E. Moore	152 18 0
22. Sold H. Willis goods	150 15 8
24. Bought of E. Moore goods	250 0 0
27. Paid our acceptance to W. Lewis	268 14 6
29. Bought of W. Lewis goods	187 6 10
„ Sold goods for cash	110 0 0
„ Sold S. Briggs goods and received his accept- ance at 1 month for the amount	166 7 6
31. Wages and trade charges paid in the month	10 10 0
„ The goods on hand are valued at £800.	

Ans. Total nett gain, £104 0s. 7d.

(4) *Alfred Dean's Affairs on 1st June, 1885.*

June	1. Cash in hand	£300 0s. 0d.
	„ Goods on hand :	
	Cotton, 9350 lb. at 6½d.	£238 12s. 5d.
	„ 6500 lb. at 6¼d.	169 5 5
		407 17 10
	„ Bills Receivable :	
	T. Edwards's acceptance due 7th July	93 14 6
	T. Johnson's do. due 10th July	70 10 0
	„ Hind & Co. owe me	117 6 8
	„ T. Edwards owes me	46 9 8
	„ I owe George Hall	64 10 0
	and a Bill Payable, viz. my acceptance of George Hall's draft, due June 27th, for	127 15 0

His Transactions in June were the following :-

June	3. Sold Arthur Hope cotton :	
	2844 lb. at 6¾d.	79 19 9
	„ Received of Hind & Co.	85 10 0
	„ Sold Hugh Masters cotton :	
	3682 lb. at 6¾d.	103 11 1
	6. Paid George Hall	62 18 0
	viz. for amt. of his a/c	£64 10s. 0d.
	less discount	1 12 0
	12. Bought of George Hall 6454 lb. cotton :	
	viz. 3360 lb. at 6d., for cash	84 0 0
	and 3094 lb. at 6¼d., for my acceptance at 2 months, amounting to £80 11s. 5d.	
	with interest 13s. 5d.	81 4 10
	18. Received of T. Edwards to settle a/c	45 18 0
	20. Drew out for private use	30 0 0
	22. Sold Hughes & Hay cotton :	
	2526 lb. at 6¾d.	71 0 10
	26. Received of Hind & Co. their acceptance at 1 month for balance of a/c and interest	31 19 4
	27. Paid my acceptance due this day	127 15 0
	„ Sold Ralph Hume cotton :	
	3552 lb. at 7d.	103 12 0
	30. Wages and trade expenses paid in the month	7 15 6
	„ The goods on hand, viz. 9700 lb. of cotton, may be valued at £252 10s.	

(5) *Affairs of the aforesaid Alfred Dean on July 1st, 1885.*

July	1. Cash in hand	£118 19s. 6d.
	„ Goods on hand, 9700 lb. cotton, worth	252 10 0
	„ Bills Receivable :	
	T. Edwards's acceptance due 7th July	93 14 6
	T. Johnson's ditto due 10th July	70 10 0
	Hind & Co.'s ditto due 29th July	31 19 4
	„ Owing to me by Arthur Hope	79 19 9
	„ „ „ by Hugh Masters	103 11 1
	„ „ „ by Hughes & Hay	71 0 10
	„ „ „ by Ralph Hume	103 12 0
	„ I owe for a Bill Payable due 15th August	81 4 10

Alfred Dean's Transactions in July.

July	3. Received of Arthur Hope	60 0 0
	4. Received of Ralph Hume, settling his a/c	101 0 0
	7. Sold Arthur Hope cotton :	
	2056 lb. at 6 $\frac{3}{4}$ d.	57 16 6
	„ Received payment of T. Edwards's Bill	93 14 6
	8. Drew on Arthur Hope at 1 month for amount of his account	77 16 3
	10. Sold Ralph Hume 5400 lb. cotton :	
	viz. for cash 1400 lb. at 6 $\frac{1}{2}$ d.	37 18 4
	on credit 4000 lb. at 6 $\frac{3}{4}$ d.	112 10 0
	„ T. Johnson's Bill, due this day	70 10 0
	cancelled by his present payment of £40, and a renewal Bill, at 1 month, for £30 15s.	70 15 0
	14. Bought of Oliver Jones cotton :	
	on credit 6970 lb. at 7 $\frac{1}{2}$ d.	206 18 5
	for cash 2430 lb. at 6 $\frac{3}{4}$ d.	68 6 10
	18. Received of Hugh Masters to settle his a/c.	102 5 0
	20. Sold T. Edwards cotton :	
	4670 lb. at 7 $\frac{1}{4}$ d.	141 1 5
	„ Sold Hugh Masters cotton :	
	3600 lb. at 7 $\frac{1}{2}$ d.	112 10 0
	24. Bought of George Hall cotton :	
	5220 lb. at 7 $\frac{1}{2}$ d., less 2 $\frac{1}{2}$ per cent.	151 1 10
	25. Paid Oliver Jones	106 18 5
	and in settlement of account granted him my acceptance at 1 month for	97 10 0

(4) *Alfred Dean's Affairs on 1st June, 1885.*

June	1. Cash in hand	£300	0s.	0d.
	„ Goods on hand :			
	Cotton, 9350 lb. at 6½d.	£238	12s.	5d.
	„ 6500 lb. at 6½d.	169	5	5
	„ Bills Receivable :			
	T. Edwards's acceptance due 7th July	93	14	6
	T. Johnson's do. due 10th July	70	10	0
	„ Hind & Co. owe me	117	6	8
	„ T. Edwards owes me	46	9	8
	„ I owe George Hall	64	10	0
	and a Bill Payable, viz. my acceptance			
	of George Hall's draft, due June 27th, for	127	15	0

His Transactions in June were the following :—

June	3. Sold Arthur Hope cotton :			
	2844 lb. at 6¾d.	79	19	9
	„ Received of Hind & Co.	85	10	0
	„ Sold Hugh Masters cotton :			
	3682 lb. at 6¾d.	103	11	1
	6. Paid George Hall	62	18	0
	viz. for amt. of his a/c	£64	10s.	0d.
	less discount	1	12	0
	12. Bought of George Hall 6454 lb. cotton :			
	viz. 3360 lb. at 6d., for cash	84	0	0
	and 3094 lb. at 6¼d., for my acceptance			
	at 2 months, amounting to £80 11s. 5d.			
	with interest 13s. 5d.	81	4	10
	18. Received of T. Edwards to settle a/c	45	18	0
	20. Drew out for private use	30	0	0
	22. Sold Hughes & Hay cotton :			
	2526 lb. at 6¾d.	71	0	10
	26. Received of Hind & Co. their acceptance at			
	1 month for balance of a/c and interest	31	19	4
	27. Paid my acceptance due this day	127	15	0
	„ Sold Ralph Hume cotton :			
	3552 lb. at 7d.	103	12	0
	30. Wages and trade expenses paid in the month	7	15	6
	„ The goods on hand, viz. 9700 lb. of cotton,			
	may be valued at £252 10s.			

(5) *Affairs of the aforesaid Alfred Dean on July 1st, 1885.*

July	1. Cash in hand	£118 19s. 6d.
	„ Goods on hand, 9700 lb. cotton, worth	252 10 0
	„ Bills Receivable:	
	T. Edwards's acceptance due 7th July	93 14 6
	T. Johnson's ditto due 10th July	70 10 0
	Hind & Co.'s ditto due 29th July	31 19 4
	„ Owing to me by Arthur Hope	79 19 9
	„ „ „ by Hugh Masters	103 11 1
	„ „ „ by Hughes & Hay	71 0 10
	„ „ „ by Ralph Hume	103 12 0
	„ I owe for a Bill Payable due 15th August	81 4 10

Alfred Dean's Transactions in July.

July	3. Received of Arthur Hope	60 0 0
	4. Received of Ralph Hume, settling his a/c	101 0 0
	7. Sold Arthur Hope cotton:	
	2056 lb. at $6\frac{3}{4}d.$	57 16 6
	„ Received payment of T. Edwards's Bill	93 14 6
	8. Drew on Arthur Hope at 1 month for	
	amount of his account	77 16 3
	10. Sold Ralph Hume 5400 lb. cotton:	
	viz. for cash 1400 lb. at $6\frac{1}{2}d.$	37 18 4
	on credit 4000 lb. at $6\frac{3}{4}d.$	112 10 0
	„ T. Johnson's Bill, due this day	70 10 0
	cancelled by his present payment of £40,	
	and a renewal Bill, at 1 month, for	
	£30 15s.	70 15 0
	14. Bought of Oliver Jones cotton:	
	on credit 6970 lb. at $7\frac{1}{2}d.$	206 18 5
	for cash 2430 lb. at $6\frac{3}{4}d.$	68 6 10
	18. Received of Hugh Masters to settle his a/c.	102 5 0
	20. Sold T. Edwards cotton:	
	4670 lb. at $7\frac{1}{4}d.$	141 1 5
	„ Sold Hugh Masters cotton:	
	3600 lb. at $7\frac{1}{2}d.$	112 10 0
	24. Bought of George Hall cotton:	
	5220 lb. at $7\frac{1}{2}d.$, less $2\frac{1}{2}$ per cent.	151 1 10
	25. Paid Oliver Jones	106 18 5
	and in settlement of account granted	
	him my acceptance at 1 month for	97 10 0

July 27.	Received of Hughes & Hay	£50	0s.	0d.
29.	Received payment of Hind & Co.'s Bill	31	19	4
30.	Sold Hind & Co. cotton, $\frac{1}{2}$ cash, $\frac{1}{2}$ credit :			
	2932 lb. at 7 $\frac{1}{2}$ d.	91	12	6
31.	Wages and trade charges paid in the month	8	4	10
	„ The cotton on hand, 5650 lb., is worth £168.			

(6) *Affairs of Stephen Brown on 1st December, 1885.*

Dec. 1.	Cash in hand	£ 473	13s.	6d.
„	Goods on hand	1730	0	0
„	Bills Receivable in hand :			
	James Court on E. Parr,			
	due 16th Dec.	£55	10s.	0d.
	Self on Thomas Creed,			
	due 21st Dec.	25	11	10
	Self on Young & Co.,			
	due 9th Jan.	32	0	0
			113	1 10
„	Bill Payable outstanding :			
	H. Moir's draft, payable 26th Dec.	64	15	4
„	Owing to Arthur Law	126	16	8
„	„ Wells & Co.	49	12	6
„	Owing by Henry Gray	102	5	0
„	„ Henry Wilson	27	17	6
„	„ Carey & Son	37	18	9
„	„ Adam Wright	35	10	0

Transactions of Stephen Brown in December, 1885.

Dec. 2.	Sold Robert Grant goods	£ 52	13s.	3d.
„	Sold Roberts & Co. goods	98	2	6
„	Sold Smith, Dean & Co. goods	67	12	0
7.	Paid Arthur Law's a/c, being allowed disc.	125	5	0
9.	Received of Roberts & Co.			
	cash	£10	2s.	6d.
	& their accept ^{ce} at 1			
	mo. for	88	0	0
			98	2 6
12.	Received of Carey & Son	20	0	0
14.	Sold Mark Fell goods	149	10	0
16.	Cash received for Parr's accept ^{ce} due this			
	day	55	10	0
18.	Received of Henry Gray to settle his a/c	101	0	0
„	Bought of Arthur Law goods :			
	for cash	£100	0s.	0d.
	& my accept ^{ce} at 2 mo. for	200	0	0
			300	0 0

Dec. 21. Sold Henry Gray goods amounting per invoice to £220, for which he gave me a Bill Receivable, being his draft on Patrick Evans for £140 12s. 6d., due 29th Dec., and cash £78 7s. 6d., I allowing an abatement from the invoice of £1	£219	0s. 0d.
„ Thomas Creed's acceptance duly honoured .	25	11 10
„ Paid Wells & Co. in settlem ^t of their a/c .	49	0 0
22. Paid J. Harris, on a/c of Andrew Sykes, cash	30	4 10
24. Bought of Wells & Co. goods	60	16 4
„ Bought of Aaron Bell goods for cash	40	0 0
26. Sold James Court goods	81	16 3
„ Paid my acceptance due this day	64	15 4
29. Received payment of Evans's acceptance .	140	12 6
„ Received of Carey & Son	17	18 9
„ Received Henry Wilson's acc ^{ts} at 1 mo. for viz. for amt. of his a/c . £27 17s. 6d. and interest	28	0 0
30. Adam Wright having compounded with his creditors, I have rec ^d in settlm ^t of his a/c	20	8 3
31. Received of Andrew Sykes	31	3 0
„ viz. on a/c of cash paid to J. Harris on the 22nd, & my com ^{ts} 18s. 2d.		
„ Cash paid in the month for wages &c. . . .	10	2 8
„ The goods now on hand are worth £1530.		
„ Ans. Total nett gain, £44 13s. 1d.		

(7) On November 2nd, 1885, the Affairs of Eldred Henley were as follows :—

Nov. 2. Stock of goods on hand :		
99 bales cotton, 32840 lb. @ 7½d. .	£1026	5s. 0d.
„ Balance of cash in hand	409	6 10
„ Bill Receivable, No. 4, E. Pigott's acceptance of Hales & Co.'s draft, due 4th Nov.	71	10 6
„ Owing to me by Ernest Wood	63	15 4
„ „ by Oliver Wood	109	11 0
„ „ by Bates Brothers	97	8 6
„ Owing by me to Rogers & Son	87	4 10
„ „ to James Haig	60	10 0
„ „ to Charles Pyne	135	7 6

Eldred Henley's Transactions in November were the following:—

Nov. 2. Sold Crisp & Co. cotton :

10 bales, 3300 lb., @ $9\frac{1}{4}d.$, disc. $1\frac{1}{4}\%$. £125 12s. 0d.

4. Sold James Parr cotton :

12 bales, 4005 lb., @ $9\frac{1}{8}d.$, disc. $1\frac{1}{4}\%$. 150 7 6

„ E. Pigott's acceptance duly paid . . . 71 10 6

6. Sold Hales & Co. cotton :

16 bales, 5390 lb., @ $9d.$. . . 202 2 6

10. Drew out from cash for private account . . . 25 0 0

„ Received of Bates Brothers to settle a/c . . . 96 4 2

13. Paid Rogers & Son to settle a/c . . . 86 3 0

„ Paid James Haig to settle a/c . . . 59 15 0

„ Bought of Rogers & Son cotton :

33 bales, 10950 lb., @ $7\frac{1}{8}d.$, disc. $1\frac{1}{4}\%$ 321 0 0

17. Sold Alexander Brown cotton :

17 bales, 5650 lb., @ $9d.$. . . 211 17 6

„ Received of Alexander Brown

cash £105 18s. 9d.

& his acceptance at 2

mo. for 105 18 9 211 17 6

18. Bought of James Haig cotton :

28 bales, 9250 lb., @ $7\frac{1}{2}d.$, disc. $1\frac{1}{4}\%$. 285 9 0

19. Paid Charles Pyne cash £100, and

accepted his draft at 1 mo. for £35 7s. 6d. 135 7 6

21. Received of Ernest Wood to settle a/c . . . 62 19 6

23. Sold for cash cotton :

16 bales, 5315 lb., @ $8\frac{7}{8}d.$. . . 196 10 10

24. Received from Oliver Wood

his acceptance at 1 mo. for . . . 110 9 8

iz. for amt. of a/c . £109 11s. 0d.

and interest . . . 0 18 3

27. Sold Ernest Wood cotton :

25 bales, 8130 lb., @ $9d.$. . . 304 17 6

28. Bought of Charles Pyne cotton :

30 bales, 10030 lb., @ $7d.$

$\frac{1}{2}$ for cash, $\frac{1}{2}$ on credit . . . 292 10 10

30. Wages and trade expenses paid in month . . . 22 16 8

„ The goods now on hand consist of

94 bales, 31280 lb., @ $7\frac{1}{2}d.$ = £977 10s.

Ans. Total nett gain £221 11s. 3d.

Solvent by £1691 6s. 1d.

(8) *Affairs, &c., of Harrison, Lane & Co. in Dec^r, 1885.*

Dec. 1. Goods on hand :

Drapery	£450	0s.	0d.		
Hosiery	225	0	0	£675	0s. 0d.

„ Cash in hand				620	0	0
„ Bill Receivable : Arthur Green's acceptance of John Carr's draft, due 11th Dec. . . .				29	13	9
„ Bill Payable : our acceptance of Nye & Ford's draft, due 4th Dec. . . .				108	12	8
„ Owing to us by Robert Wren, a/c loan @ 5 %				53	10	8
„ „ by Moore & Co. . . .				56	9	10
„ Owing by us to John Sharp				75	0	0
„ „ to Charles Hope				42	15	6
„ „ to Davis & Co. . . .				19	15	0

Dec. 3. Paid Davis & Co. . . .				19	9	0
viz. for amt. of a/c	£19	15s.	0d.			
less discount	0	6	0			

4. Paid our acceptance due this day				108	12	8
---	--	--	--	-----	----	---

5. Sold Viner & Co. drapery				41	15	0
-------------------------------------	--	--	--	----	----	---

„ „ Scott & Ord hosiery				32	12	8
---------------------------------	--	--	--	----	----	---

8. Received of Moore & Co. to settle a/c				55	15	9
--	--	--	--	----	----	---

9. Sold Moore & Co. goods :

Drapery	£63	10s.	6d.			
Hosiery	47	4	10	110	15	4

11. Received payment of John Carr's Bill				29	13	9
--	--	--	--	----	----	---

12. Bought of Davis & Co. hosiery				81	13	4
---	--	--	--	----	----	---

„ Bought for cash hosiery				30	0	0
-----------------------------------	--	--	--	----	---	---

16. Accepted John Sharp's draft at 1 mo. for amt. of a/c with interest				75	6	3
---	--	--	--	----	---	---

18. Sold Edward Lee goods, and received from him his accept ^{ce} at 1 mo. for the amount				86	12	6
--	--	--	--	----	----	---

viz. Drapery	£34	0s.	0d.			
----------------------	-----	-----	-----	--	--	--

Hosiery	52	12	6			
-----------------	----	----	---	--	--	--

21. Paid Charles Hope to settle a/c				42	4	10
---	--	--	--	----	---	----

22. Bought of Charles Hope drapery ½ for cash, ½ on credit				100	0	0
---	--	--	--	-----	---	---

24. Bought of Davis & Co. hosiery				96	10	0
---	--	--	--	----	----	---

„ Received of Robert Wren				53	14	0
-----------------------------------	--	--	--	----	----	---

viz. a/c of loan	£53	10s.	8d.			
--------------------------	-----	------	-----	--	--	--

23 days' interest	0	3	4			
---------------------------	---	---	---	--	--	--

Dec. 25. Sold John Carr goods :

Draperies	£78 15s. 9d.	
Hosiery	20 15 0	£ 99 10s. 9d.
„ Received of Moore & Co. . .	£60 0s. 0d.	
& their acc ^{ts} @ 2 mo. for	50 15 4	110 15 4
„ Bought of Nye & Ford drapery		90 0 0
26. Sold Philip Sage goods :		
Draperies	£112 7s. 6d.	
Hosiery	90 0 0	202 7 6
28. Bought for cash drapery		39 0 0
30. Sold for cash hosiery		17 17 0
31. Wages and trade expenses paid in the month		13 4 0
„ The goods now on hand consist of drapery		
worth £385, and hosiery worth £200.		
Ans. Total nett gain, £51 3s. 1d.		



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